

AM03

Notice of administrator's proposals



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1	Company details		→ Filling in this form Please complete in typescript or in bold black capitals.
Company number	0 6 7 1 5 3 0 5		
Company name in full	Cube Precision Engineering Limited		
2 Administrator's name			
Full forename(s)	Jon L		
Surname	Roden		
3 Administrator's address			
Building name/number	17th Floor		
Street	103 Colmore Row		
Post town	Birmingham		
County/Region			
Postcode	B 3 3 A G		
Country			
4 Administrator's name ①			
Full forename(s)	Rob A		① Other administrator Use this section to tell us about another administrator.
Surname	Parker		
5 Administrator's address ②			
Building name/number	17th Floor		② Other administrator Use this section to tell us about another administrator.
Street	103 Colmore Row		
Post town	Birmingham		
County/Region			
Postcode	B 3 3 A G		
Country			

AM03

Notice of Administrator's Proposals

6 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

John

X

Signature date

^d 2 ^d 2 ^m 0 ^m 1 ^y 2 ^y 0 ^y 2 ^y 4

AM03

Notice of Administrator's Proposals



Presenter information

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

Contact name	Alyssa Hallard				
Company name	Grant Thornton UK LLP				
Address	11th Floor				
	Landmark St Peter's Square				
Post town	1 Oxford St				
County/Region	Manchester				
Postcode	M	1		4	P B
Country					
DX					
Telephone	0161 953 6900				



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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ❶
Attach this to the relevant form.
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

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

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Helen

Surname

Dale

3 Insolvency practitioner's address

Building name/number

17th Floor

Street

103 Colmore Row

Post town

Birmingham

County/Region

Postcode

B 3 3 A G

Country



Cube Precision Engineering Limited - in administration

UK Restructuring
Grant Thornton UK LLP
11th Floor
Landmark St Peter's Square
1 Oxford St
Manchester
M1 4PB

Joint administrators' statement of proposals

Appointed in High Court of Justice, Business and Property Court
No 000662 of 2023

Prepared by: Jon Roden, joint administrator

Contact details: Should you wish to discuss any matters in this report, please email cmusupport@uk.gt.com, or write to the above address

Guide to this report

Sections

Definitions

1 Executive summary

This should be read in conjunction with the remainder of this statement of proposals, together with the appendices

2 Background to the appointment of the joint administrators

Includes a summary of the company's trading activities and factors leading to its financial distress

3 The joint administrators' appointment

Includes a summary of the joint administrators' initial introduction to the company and the decision to appoint

4 Proposals for achieving the objective of the administration

Includes explanation of the objective of the administration and the anticipated exit route from administration

5 The assets and liabilities of the company

Includes information relating to the statement of affairs

6 Conduct of the administration

Includes strategy and progress (trading, sale of business, realisation of assets)

7 Investigations into the affairs of the company

Includes brief information on statutory investigations

8 Creditors and dividend prospects

Includes creditor balances and information on dividends

9 Joint administrators' remuneration and expenses

Includes details of payments to the joint administrators (including details of fees and expenses incurred) and their associates

10 Future strategy

Includes summary details of further work to be done, extension, details on any proposed creditor decisions, general information for readers (eg data protection) and timing of the next report

Appendices

A Notice about this statement of proposals

Includes information about the preparation and purpose of this statement of proposals, reliance on them and no liability

B Statutory information

Includes information required about the company (eg name, address) and about the administration (eg proceedings, administrators, contact details)

C Statement of affairs

D Abstract of the joint administrators' receipts and payments

E Statement of Insolvency Practice 9 disclosure: Payments to the joint administrators and their associates

Includes remuneration basis, work done, expenses of the joint administrators sub-contracted out work, relationships requiring disclosure

Definitions

The following definitions are used either within the body of this statement of proposals, the appendices to it, or both.

Act	The Insolvency Act 1986
BCRS	BCRS MEIF GP Limited
CAPA	CAPA Property Limited
Close Brothers	Close Brothers Limited
Close Invoice Finance	Close Invoice Finance Limited
Company	Cube Precision Engineering Limited
CVL	Creditors' Voluntary Liquidation
Firm / Grant Thornton	Grant Thornton UK LLP
Hilco	Hilco Valuation Services Europe
HMRC	HM Revenue & Customs
Joint Administrators / we / us / our	Jon L Roden Rob A Parker Helen Dale
Lloyds	Lloyds Bank Plc
PAYE	Pay as you earn
Period	The period from 30 November 2023 to 2 January 2024
Praetura	Praetura Asset Finance Limited
Proposals	The Joint Administrators' statement of proposals dated 19 January 2024
RPS	Redundancy Payments Service
Rules	the Insolvency (England and Wales) Rules 2016
SIP	Statement of Insolvency Practice
SoA	Statement of Affairs
UK	United Kingdom
VAT	Value added tax
WIP	Work In Progress

1 Executive summary

- I was appointed Joint Administrator of the Company with Rob Parker and Helen Dale by the directors on 30 November 2023. Please note that we are all authorised by the Insolvency Practitioners Association to act as insolvency practitioners
- The affairs, business and property of the Company are being managed by the Joint Administrators. The Joint Administrators act as agents of the Company and without personal liability
- Following on from our appointment we are submitting our Proposals pursuant to paragraph 49(1) of Schedule B1 to the Act for achieving the objectives of the administration. This report contains the information required by rule 3.35 of the Rules
- The Joint Administrators are pursuing the second statutory purpose of administration, to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration)
- As of 2 January 2023, one of the Company's secured creditors, Close Invoice Finance, was repaid in full as a result of debtor receipts. Distributions to the other secured creditors are unlikely
- The return to the unsecured creditors is estimated at nil. However, this is dependent upon the realisation of assets, namely the recovery of debtor balances owing to the Company, the sale of plant and machinery and the recovery of insurance claims. Further details are included in Section 8 – Creditors and dividend prospects
- The administration is currently due to end on 29 November 2024
- These Proposals are deemed delivered on 24 January 2024
- It is anticipated that the administration will end by filing a notice to dissolve the Company, as it is anticipated that there will only be a prescribed part distribution to creditors, if any, and if that is the case, it is proposed that the Joint Administrators will agree the claims of the creditors and distribute the funds during the course of the administration.



Jon Roden
Joint Administrator

22 January 2024

2 Background to the appointment of the Joint Administrators

2.1 The trade of the Company

The Company was formed in 2008 to acquire certain trade and assets of Clifton Precision Tools Limited following its administration. The Company is a wholly owned subsidiary of Cube Investments Group Limited. Other wholly owned subsidiaries of Cube Investments Group Limited, include Cube Property Management Limited and GFP Tools Limited.

Initial funding was provided to the Company on its formation by Douglas Clifton and David Clifton, with Diane Workman, Neil Clifton and Phillip Bannister working as non-shareholding directors. Following the death of Douglas Clifton in August 2012, Neil Clifton inherited his shares in Cube Investments Group Limited at which point it was agreed that Phillip Bannister would also become an equal shareholder.

The Company specialised in the manufacturing of precision tooling for the automotive, rail and aerospace sectors, using digital fabrication, model making, mould making, casting and surface finishing, predominantly supplying to tier two of the automotive industry.

The Company had 45 employees and traded from a leasehold premises on an industrial site in Rowley Regis, West Midlands.

At appointment, the Company's secured funding position was as follows:

- Close Invoice Finance: Invoice finance advances received under a sales finance agreement secured on trade debtors
- Close Brothers: Chattels mortgage provided to the Company secured over certain of the Company's plant and machinery assets
- Lloyds: Loan provided to the Company secured over certain of the Company's plant and machinery assets
- BCRS: Covid recovery loan provided to the Company.

2.2 Factors leading to financial distress

The insolvency of the Company can be attributed to the following:

- In recent years, the Company generated trading losses linked to the impact of the Coronavirus pandemic and other macroeconomic difficulties faced by the automotive, rail and aerospace sectors where the majority of the Company's customers operated.
- The period of losses culminated in financial pressure, which would require the Company to restructure its balance sheet, obtain additional funding, and agree substantial renegotiation of its pricing and contractual relationships with its major customers.
- The Company was expecting to receive a substantial Research and Development tax credit from HMRC which it anticipated would be received in the immediate months prior to the Company going into Administration. However, administrative errors in the submission of the Research and Development tax credit claim delayed the receipt of the refund that, impacted the Company's cash flows.

Management implemented several measures to address the challenging monthly cash cycles, which included:

- Leveraging the Company's asset base to obtain external finance
- Negotiating a rent-free period with its landlord
- Obtaining time-to-pay agreements from HMRC in respect of its PAYE and VAT obligations
- Requesting price increases from customers
- Negotiating revised payment terms with suppliers

Due to the challenges faced by the Company, the directors engaged Grant Thornton to undertake an accelerated sale of business process. During this process, twenty-nine parties were identified and approached to assess their potential interest in the business. Three parties showed interest and were subsequently sent further information to carry out due diligence. Despite one party meeting with management, no offers were received for the business.

Given the Company's cash flow constraints and limited unencumbered assets to secure additional funding, the Directors sought professional advice and concluded that the best option for the Company was for it to be placed in administration, further details of which are outlined in section 4.

3 The Joint Administrators' appointment

3.1 Initial introduction to the Company

Grant Thornton was introduced to the Company's directors on 21 November 2023 by Close Invoice Finance.

At the introductory meeting on 21 November 2023, the trading position was discussed, which outlined that the Company had suffered sustained losses and was now experiencing significant cashflow pressures. It was also apparent that the Company had experienced challenging trading conditions and was operating at a loss since the Coronavirus pandemic, which was exacerbated by other difficulties faced by the automotive, rail and aerospace industries.

Advice was provided to the Company under a letter of engagement dated 23 November 2023. Prior to that engagement neither the Joint Administrators nor Grant Thornton had any dealings with the Company or its directors.

3.2 Appointment of Joint Administrators

Having carried out market testing on an accelerated basis and considered all other restructuring options, the directors of the Company concluded that the best option for the Company was for it to be placed into administration. Subsequently, on 23 November 2023 the Company issued a notice of intention to appoint administrators. This was served on Lloyds, Birmingham City Council, Close Brothers and MEIF WM Small Business Loans LP, acting by its general partner, BCRS on 23 November 2023 as qualifying floating charge holders.

During this period, the directors continued to explore options for the Company with potential interested parties. However, due to cashflow constraints (including an inability to defray wages without external support), all production employees were sent home.

Upon consent being granted by the qualifying floating charge holders, the directors filed at court the notice of appointment of administrators in accordance with paragraph 22 of Schedule B1 to the Act. Subsequently, the Company entered administration on 30 November 2023.

The Joint Administrators carefully considered the position prior to accepting the appointment, having regard to their licencing bodies' ethical guidelines, and considered that there were no circumstances preventing them being administrators of the Company.

4 Proposals for achieving the objective of the administration

4.1 Objective of the administration

The Joint Administrators must perform their functions with the objective of:

- a rescuing the Company as a going concern; or
- b achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration); or
- c realising property in order to make a distribution to one or more secured or preferential creditors.

It was not possible to rescue the Company as a going concern due to the extent of its liabilities and insufficient funding to support ongoing working capital requirements. The Joint Administrators have therefore pursued the second statutory objective as set out above.

The objective has been achieved by the Joint Administrators by concluding offers for the Company's tangible assets and pursuing debtor and WIP recoveries on appointment. It was anticipated that realisation values would be greater in the administration than compared with those likely achieved if the Company were wound up (without first being in administration) due to the Joint Administrators utilising the Moratorium to leverage and maximise WIP, accelerating payment of outstanding debtor balances due to the Company on appointment. Further detail is provided in section 6.

4.2 Exit route

It is proposed that the administration will end by the Joint Administrators filing a notice to dissolve the Company, or if more time is needed to complete realisations after any extension of the administration, the Joint Administrators may present a petition to wind up the Company and then seek their appointment as liquidators.

Whilst it is currently considered unlikely, in the event that funds are available to ensure a distribution to be made to the unsecured creditors of the Company by the prescribed part provision, it is proposed that the Joint Administrators will agree the claims of the creditors and distribute these funds in the course of the administration.

When all funds have been realised and distributed, the administration will end by the Joint Administrators filing a notice to dissolve the Company.

5 The assets and liabilities of the Company

5.1 Statement of affairs

On 6 December 2023 the directors of the Company were issued with a notice requiring them to provide a SoA to the Joint Administrators. A SoA details the assets and liabilities of the Company as at the date of appointment of the Joint Administrators.

The directors have prepared a statement of affairs which is attached at Appendix C.

6 Conduct of the administration

6.1 Strategy

Prior to the administration, Grant Thornton conducted an accelerated sale process which resulted in no offers being received. Notwithstanding this, the Joint Administrators' first objective was to pursue interest in a sale of all or part of the Company's business as this was considered the optimal method for maximising the return to creditors.

Whilst the objective was being pursued, the Joint Administrators explored the possibility of continuing trading during administration. The Joint Administrators reviewed the financial position of the Company to ascertain if it was appropriate to continue to trade the Company whilst seeking a sale of the business as a going concern. In undertaking this analysis, the Joint Administrators considered several factors including:

- Reviewing the cash position of the Company to ascertain if there were sufficient funds to continue to trade
- Identifying if any party would be willing to finance the trading period for the Company
- Discussions with key customers
- Discussions with suppliers.

Based on these considerations the Joint Administrators determined that they were unable to continue to trade the business, primarily due to extended customer lead times and customer inability to commit their support. Therefore, the Joint Administrators have commenced the winding up of the Company's operations and pursued an asset realisation strategy.

6.2 Realisation of assets

Plant and equipment

The plant and machinery assets of the business include several CNC machines and presses.

The SoA indicates that the plant and equipment had a book value of £271,532 and an estimated to realise value of £230,284. We understand that the Company has significant external finance on plant and equipment and therefore net realisation values are expected to be lower than stated in the SoA.

Hilco was instructed to appraise and market the Company's plant and equipment for sale. Following the appointment of the Joint Administrators, Hilco was instructed to prepare for an auction of the remaining assets, which was due to take place in mid-January 2024. As at the date of this report, we await final confirmation from Hilco on the outcome of the auction process. As such, we will not disclose values so as not to prejudice any remaining sales, but a full update will be included in our next report to creditors.

The majority of the Company's plant and equipment is subject to asset finance. Hilco is liaising with the relevant finance providers and will advise whether there is any equity in the agreements that will be realised for the benefit of the administration. We are aware that assets subject to finance with Praetura and Close Brothers have been realised by the lenders themselves and we understand there is no equity available to the Company following the sale of these specific assets.

Vehicles

As at the date of appointment, the Company was in possession of two vehicles, both of which were subject to finance. The SoA does not clearly identify these assets and we are therefore unable to draw comparison. In the Period, one vehicle was sold to Philip Bannister, a director of the Company and connected party, for £15,000. Our agents, Hilco, recommended acceptance of the offer and conducted the sale. The remaining vehicle will be sold by Hilco in due course. Hilco expect equity in the vehicles and therefore the surplus will be remitted to the administration estate in due course.

Debtors and WIP

The nature of the Company's trade is that the debtor and WIP position is complex as customers would typically be required to settle payments subject to contracted stage of completion. In addition, WIP was unique to individual customers and subject to individual design specifications. At the date of appointment, the Company was part way through work on customer orders and it was anticipated that there would be value in WIP completed. As such, the Joint Administrators worked with retained employees and Company directors to appraise and collect the remaining trade debts and maximise WIP collections.

The SoA indicates that the Debtors and WIP have a book value of £986,406, and an estimated to realise value of £547,314. Close Invoice Finance has security over the majority of the Company's debtors (excluded balances include intercompany debtors and debtors in financial distress), and it has been confirmed that the balance owing to Close Invoice Finance at appointment was £569,999, including charges and termination fees.

Close Invoice Finance have been paid the balance of £572,572 from debtors following the appointment of the Joint Administrators, resulting in a full repayment of its indebtedness and a surplus of £2,573. We are currently liaising with Close Invoice Finance to arrange for the surplus balance to be paid to the administration estate. In addition to the debtor receipts, we have also realised an additional £105,263 in respect of WIP which has been paid directly to the administration estate. This balance is identifiable on the R&P attached at Appendix D. All WIP has now been uplifted by customers and therefore no further receipts are anticipated.

The Joint Administrators are liaising with all remaining debtors to accelerate collections where possible. The book value of the remaining debtors to be realised is £56,169. A further update will be provided in the next report to creditors.

As shown on the summary of receipts and payments account at Appendix D, Close Invoice Finance provided an initial contribution to costs of £18,310 to defray urgent initial costs of the administration. This will be repaid to Close Brothers in full in due course.

Insurance claims

Prior to the administration, the Company submitted an insurance claim following a break-in and theft at the Company's premises. The value of the insurance claim is £83,756 and we have been informed that the claim is being reviewed by the insurer following a loss adjuster attending the premises and submitting findings in November 2023.

The SoA indicates that the pending insurance claim has a book value and estimated to realise value of £83,756.

In addition, shortly prior to the appointment of the Joint Administrators, a further break-in and theft occurred at the Company's premises, for which a further insurance claim was lodged.

We are liaising with the pre-appointment insurers regarding both claims and if any successful claims are due to the administration estate.

Cash at bank

The Company operated two bank accounts with Lloyds Bank. In accordance with the SoA and correspondence with Lloyds Bank, it is our understanding that both accounts were overdrawn as at the appointment date.

6.3 Additional assets

The SoA indicates that there are 'other fixed assets' with a book value of £242,528 and an estimated to realise value of £252,428. We are currently liaising with the directors and assessing the Company's records to ascertain what these 'additional assets' relate to and why the estimated to realise value is higher than the book value. However, it is our initial understanding that the inclusion of this balance is an error in the SoA and the difference between the book value and estimated to realise value is likely a transposition error within the SoA.

In addition to the above enquiries, the Joint Administrators have engaged property consultants, CAPA, to carry out a review of historical rates incurred and paid by the Company prior to the appointment of the Joint Administrators. We await an update in this regard to establish if there are any refunds due to the administration estate.

6.4 Receipts and payments account

Our receipts and payment account covering the Period is attached at Appendix D.

7 Investigations into the affairs of the Company

7.1 Statutory investigations

Within three months of our appointment as Joint Administrators, as required by the Company directors Disqualification Act 1986, we will report to the Secretary of State the required facts about the Company's business and the conduct of its directors (including those acting within the past three years).

We would be pleased to receive from any creditor any useful information concerning the Company, its dealings or conduct which may assist us.

8 Creditors and dividend prospects

8.1 Secured creditors

Please see below details of the charges registered against the Company:

Type of security:	In favour of:	Date of creation:
Debenture	Lloyds	8 October 2015
Omnibus Guarantee	Lloyds	24 November 2015
Debenture	Birmingham City Council	11 March 2019
Debenture	Close Brothers	20 September 2021
Chattels Mortgage	Close Brothers	19 October 2023
Debenture	BCRS	12 April 2022

As noted in section 6.2, Close Invoice Finance has been repaid in full. Therefore, we understand no balance is due to Close Invoice Finance in respect of its debenture, although this is subject to further review.

We are aware that there is a Chattels mortgage in favour of Close Brothers dated 19 October 2023. We are reviewing the validity of this security and the nature of any consideration and liability due in respect of this security. We will provide an update in our next report to creditors.

In addition to the above, at the date of administration, the remaining balances due to secured creditors included:

- Lloyds £70,714: Loan provided to the Company secured over certain of the Company's plant and machinery assets
- BCRS £76,000: Covid recovery loan provided to the Company

It is unlikely that there will be a return to the above secured creditors.

Freeths UK LLP has been engaged to advise us on the validity of the security of the above charges, prior to distributions being made to secured creditors, if funds are available.

8.2 Preferential creditors

Ordinary preferential creditors

These may include employee claims for wages and salary up to £800 per person and accrued holiday pay, and employee contributions to occupational pension schemes deducted in the four months before the insolvency. A significant element of these claims will be transferred to the Secretary of State following payment of employment-related claims by the RPS. There may also be a claim by a lender to the extent the lender advanced funds for payroll which resulted in employees not having preferential claims for arrears of pay.

There were 45 employees at the date of appointment all of whom have now been made redundant. No claims have been received from the RPS to date.

Accordingly, whilst we anticipate preferential claims being received from any employees who were made redundant, the quantum of claims is not currently known. It is currently anticipated that a dividend will be available for ordinary preferential creditors. However, the timing of such dividend cannot yet be predicted with any reasonable accuracy.

For completeness the SoA indicates that ordinary preferential creditors total £93,061.

Secondary preferential creditors

These may include HMRC claims for arrears of VAT and for sums deducted in respect of PAYE, employees' national insurance contributions and student loan repayments, and construction industry scheme deductions.

It is currently anticipated that there will be insufficient funds to enable a dividend to be payable to the secondary preferential creditors of the Company. In addition, we have not received a claim to date.

For completeness the SoA indicates that secondary preferential creditors total £398,697.

8.3 Unsecured creditors

Prescribed part

In accordance with section 176A of the Act, a prescribed part is to be set aside from the floating charge assets and made available to the unsecured creditors of the Company. The prescribed part calculation is applied to the net property available and is calculated at 50% of the first £10,000 of net realisations and 20% of all further amounts, up to a maximum prescribed part of £600,000, or, if the floating charge was created on or after 6 April 2020, £800,000.

Based on the estimated position of the Company's affairs, the net property is to be £Nil, resulting in a prescribed part of £Nil. As we do not expect preferential creditors to be repaid in full the provisions of the prescribed part do not apply.

Claims

The statement of affairs details 192 unsecured creditors totalling £872,069.

Based on the current information, a dividend will not be paid to unsecured creditors, other than by way of a prescribed part (if applicable).

Sanctioned creditors

Any distributions to be made to creditors, in any class, who are designated under the United Kingdom (UK) sanctions regime (and the United States (US), European Union (EU) and other applicable sanctions regimes) (Sanctioned Creditors) will be frozen to comply with our legal obligations and will not be made available to Sanctioned Creditors unless, in very limited circumstances, the payment of the distribution is permitted by licenses issued by all applicable sanctions authorities.

9 Joint Administrators' remuneration and expenses

9.1 Overview

We have incurred time costs and expenses in the Period amounting to £138,701 and £18,966.

Our remuneration basis, however, has not yet been fixed as this is our first report to creditors. We propose that our remuneration be fixed by reference to the time properly spent by the Joint Administrators and their staff in attending to matters arising in the Administration of the Company with a fees estimate totalling £346,618 and expenses estimate totalling £111,940.

At this stage it is too early to reasonably anticipate how much will be paid from the estate towards our remuneration.

Further details about remuneration and expenses are provided in Appendix E to this report.

10 Future strategy

10.1 Future conduct of the administration

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

- payment of administration expenses, including our remuneration
- pursuing possible insurance claims
- finalising the sale of the Company's chattel assets
- seeking a re-assignment of the debtor ledger from Close Invoice Finance, if appropriate
- finalisation of the Company's tax affairs, including completion of corporation tax and VAT returns and settlement of any post administration liabilities
- complying with statutory and regulatory obligations
- agreeing the claims of the preferential creditors and payment of a dividend, if future realisations make this feasible
- agreeing the claims of the unsecured creditors and payment of a dividend, if future realisations make this feasible
- arranging closure of the administration through an appropriate exit route

10.2 Extension of the administration

The duration of an administration is restricted to 12 months from the date of commencement, unless it is extended with the consent of the creditors, or by order of the court.

If it is identified that an extension is required, the Joint Administrators will seek a resolution from the secured and preferential creditors requesting an extension of up to 12 months.

10.3 Deemed approval

A decision of the creditors is not required because, in accordance with paragraph 52(1) of Schedule B1 to the Act, we are of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured creditors, other than by virtue of section 176A of the Act (the prescribed part).

The proposals contained in this statement will be deemed to have been approved by the creditors unless, within eight business days of this statement being sent out, creditors whose debts amount to at least 10% by value of the total debts of the Company request that the Joint Administrators seek a decision from the creditors as to whether they approve the Proposals.

10.4 Data protection

Any personal information held by the Company will continue to be processed for the purposes of the administration of the Company and in accordance with the requirements of data protection law. Our privacy notice on our website (www.grantthornton.co.uk/en/privacy) contains further details as to how we may use, process and store personal data.

10.5 Contact from third parties

Please be aware that fraudsters have been known to masquerade as legitimate administrators. Fraudsters may contact creditors asking for an upfront fee or tax to release an investment or to enable payment of a dividend / the release of money payable to the creditor. An administrator would never ask for such a payment nor instruct a third party to make such a request.

10.6 Future reporting

Our first progress report will cover the six months from our appointment to 29 May 2024, to be delivered to creditors within one month after that date.

A Notice about this report

These Proposals (this report) have been prepared solely to comply with the Joint Administrators' statutory duty to report to creditors under the Rules 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 or any financial interest 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 outcomes for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under the Rules 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 that we are all authorised by the Insolvency Practitioners Association to act as insolvency practitioners.

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 appointment of the Joint Administrators are personal to them and to the fullest extent permitted by law, Grant Thornton does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

Unless stated otherwise, all amounts in these Proposals and appendices are stated net of VAT. For definitions of abbreviations please refer to the 'Definitions' table at the start of this report.

B Statutory information

Company information

Company name	Cube Precision Engineering Limited		
Date of incorporation	3 October 2008		
Company registration number	06715305		
Former trading address	Cakemore Road, Rowley Regis, West Midlands, B65 0QW		
Present registered office	Grant Thornton UK LLP, 11th Floor, Landmark St Peter's Square, 1 Oxford Street, Manchester, M1 4PB		
Authorised share capital	150 ordinary £1 shares		
Issued share capital	150 ordinary £1 shares		
Directors and officers: shareholding			
	Name	Shareholding	Percentage
	Philip Bannister	0	0%
	Neil Clifton	0	0%
	David Clifton	0	0%
	Diane Workman	0	0%

Administration information

Administration appointment	The administration appointment granted in the High Court of Justice, Business and Property Court, 000662 of 2023
Appointor	the directors
Date of appointment	30 November 2023
Joint Administrators' names	Jon L Roden Rob A Parker Helen Dale
Joint Administrators' addresses	17th Floor, 103 Colmore Row, Birmingham, B3 3AG
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration)
Estimated value of the net property and confirmation of the prescribed part cap	The Company's net property is estimated to be £Nil. The prescribed part is capped at the statutory maximum of £600,000, or, if the floating charge was created on or after 6 April 2020, £800,000. As we do not expect preferential creditors to be repaid in full the provisions of the prescribed part do not apply.
Prescribed part distribution	Not applicable, see above.
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Act, the functions of the administrators are to be exercised by any or all of them.
Current administration expiry date	29 November 2024
EU Regulations	These insolvency proceedings are English proceedings relating to a company registered in the jurisdiction of England and Wales. Accordingly, the EU Regulation on Insolvency Proceedings as it has effect in the law of the United Kingdom does not apply

Statement of Affairs

Statement of the affairs of Cube Precision Engineering Limited (06715305) on
30 November 2023, being the date on which the company entered administration

Statement of Truth

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

Full name MRS DIANE WOREMAN

Signed Duckman

Dated 3/1/24

A – Summary of Assets

Assets

Assets subject to fixed charge:

BF-3200 Type Milling M/C
 Hurco VMX 64 Milling M/C
 Correa FP40 Milling M/C
 Hurco DCX 32 Milling M/C
 Dell Precision 3660
 Hurco Lathe ST2710162FRAMM
 Hurco DCX Lloyds

Book Value £	Estimated to Realise £
75,000	56,856
10,218	10,218
20,437	20,437
40,875	40,875
10,000	5,144
85,002	85,002
30,000	11,752
242,528	252,428
520,441	439,131
235,087	0.00
465,965	108,183
6,698	6,698
311	311
83,756	83,756
1,827,160	1,121,633

Assets subject to floating charge: none

Uncharged assets

Other Fixed Assets
 Trade Debtors
 Stock (moved to realise included in other asset)
 Work In Progress
 Lloyds Current account
 Lloyds reserve account
 Insurance claim pending

Estimated total assets available for preferential creditors

Signature Duckman Date 3/1/24

A1 – Summary of Liabilities

		Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)	£	1,121,633
Liabilities	£	
Ordinary preferential creditors	£ 93,061	
Estimated deficiency/surplus as regards ordinary preferential creditors	£	1,028,572
Secondary preferential creditors	£ 398,697	
Estimated deficiency/surplus as regards secondary preferential creditors	£	629,875
Estimated prescribed part of net property where applicable (to carry forward)	£ -	
Estimated total assets available for floating charge holders	£	629,875
Debts secured by floating charges	£ 1,616,974	
Estimated deficiency/surplus of assets after floating charges	£	1,047,999
Estimated prescribed part of net property where applicable (brought down)	£ -	
Total assets available to unsecured creditors	£	1,047,999
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ 872,069	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	1,919,169
Shortfall to floating charge holders (brought down)	£ -	
Estimated deficiency/surplus as regards creditors	£	1,919,169
Issued and called up capital	£ 150	
Estimated total deficiency/surplus as regards members	£	1,919,319

Signature

Dwicker

Date

31/124

Cube Precision Engineering Limited - Creditor Listing

Key	Name	Address 1	Address 2	Address 3	Address 4	SoA Amount (£)
CA00	AVA Special Steels Ltd	Unit B	Chancel Close	Gloucester	GL4 3SN	8,443.57
CA01	Aviva Insurance Ltd	2116 Registered Office	Pitheavlis	PH2 0NH		5,793.97
CA02	Autodesk Ltd	One Discovery Place	Columbus Drive	Farnborough	GU14 0NZ	2,561.35
CA03	ABR Specialist Welding Ltd	2 Haines Street	West Bromwich	B70 7DS		4,200.00
CA04	AMC s.l - Espania	Poligono Industrial de Barros	Parcela 24	39408	Cantabria	4,176.00
CA05	AW	Cosford Lane	Swift Valley Ind Est	Rugby	CV21 1QN	3,082.83
CA06	Arford Steel Profiles Ltd	Unit 5, Dawley Trading Estate	Stallings Lane	Kingswinford	DY6 7AP	9,123.60
CA07	Associated Spring Raymond	Barnes Group (U.K.) Limited	Unit 4	Grosvenor Business Centre	WR11 1GS	467.40
CA08	Allianz	Allianz House	6 Church Street West	Woking	GU21 6AZ	116.37
CB00	Blue Flame Profiles Ltd	Unit 9 Legg Bros Industrial Estate	Spring Road	Ettingshall	WV4 6JT	83,007.20
CB01	Bentley haulage Ltd	C/O Shiftec Willenhall	Neachells Lane	Willenhall	WV13 3SN	9,804.00
CB02	Bohler Special Steels (Voestalpine)	European Business Park	Taylors Lane	Oldbury	B69 2BN	5,035.66
CB03	Barnes Group UK Limited - NPG	Unit 4	Grosvenor Business Centre	Vale Park	WR11 1GS	4,355.65
CB04	BCRS Business Loans Ltd	Technology Centre	Wolverhampton Science Park	Glasher Drive	WV10 9RU	600.00
CB05	Berger Tools Ltd	Units B1 & B2 Chaucer Business Park	Watery Lane	Kemsing	TN15 6QY	563.16
CB06	Boltdown Power Press Repairs Ltd	10 Cato Street	Birmingham	B7 4TS		360.00
CB07	Batchelor Polythenes	5 Bannerley Road	Garrets Green In Estate	Birmingham	B33 0SL	162.00
CB08	British Gas Trading Ltd	1600 Parkway Court	Oxford Business Park	South Garsington Road	OX4 2JY	120.00
CC00	Cube Investments	Cakemore Road	Rowley Regis	West Midlands	B65 0AW	40,271.53
CC01	Ceratizit WNT UK Ltd	Sheffield Airport Business Park	Europa Link	Sheffield	S9 1XU	17,396.07
CC02	Compressed Air Solutions Ltd	Unit 5a, Arkwright Hill Farm	Lutterworth Road	Cosby	LE9 1RH	9,794.80
CC03	Carrs Toolsteel Technologies Ltd	Steelbright Works	Coneygree Road	Tipton	DY4 8XQ	8,334.60
CC04	Coventry Grinders Ltd	Unit 17/18	Lifford Way	Binley	CV3 2RN	4,955.24
CC05	Central Scanning	Unit 9 Wildmoor Mill	Mill Lane	Wildmoor	B61 0BX	2,550.00
CC06	Castle Carbide Ltd	Crown House	Shaw Rd Ind Pk	Shaw Rd	DY2 8TS	2,593.38
CC07	Cromwell	Units B1/B2 Link One Ind Park	George Henry Road	Great Bridge	DY4 7BZ	1,185.92
CC08	Capco Palmer Steels LTD	Unit 12, Whitehall Industrial Park	Whitehall Road	Tipton	DY4 7JR	1,011.60
CC09	C Fullard Metals Limited	Unit 60 - 64 Owen Road Industrial	Owen Road	Willenhall	WV13 2PX	960.00
CC0A	Conway Precision Engineering	106-114 Tame Road		Birmingham	B6 7EZ	708.00
CC0B	Cava Security Services Ltd	7 The Oakes	Clews Road	Reddich	B98 7ST	522.00
CC0C	Cutwel Limited	Unit A Riverside Drive	Cleckheaton	West Yorkshire	BD19 4DH	355.38
CC0D	Clocking Systems	201 Broadgate Lane	Horsforth	Leeds	LS18 5BS	182.70
CC0E	Clear Insurance Management Ltd	South Lodge, Cranford Manor	Kenilworth Road	Leamington Spa	CV32 6RG	152.96
CC0F	Chase Alloys Ltd	Littleton Drive	Huntington	Cannock	WS12 4TR	57.60
CC0G	Credit Balances					(9,516.86)
CD00	Dayton Progress Ltd	Unit F8b Holly Farm Buisness Park	Honiley	Kenilworth	CV8 1NP	91,820.97
CD01	Direct Plastics Limited	Rother Way	Holbrook	South Yorkshire	S20 3RW	2,820.54
CD02	Dell Financial Services	PO Box 12335	Dublin 18	Ireland		2,138.13
CD03	Danly UK Ltd	Aintree Road	Greenford	Middlesex		524.40

CD04	Debit Card					(14,784.62)
CE00	Eurocrane Services Limited	Dawley House	Dawley Brook Road	Kingswinford	DY6 7BB	11,036.66
CE01	Enterprise Logistics Ltd	PO Box 7287	Walsall	WS1 9RS		9,042.00
CE02	Edge Industrial Supplies Ltd	Unit 8, Powke Lane Ind Est	Powke Lane	Rowley Regis	B65 0AH	5,523.70
CE03	EDM Supplies	10 Damson Close	Callow Hill	Redditch	B97 5WA	5,193.84
CE04	Elite Oils, Tooling & Services	Truggist Hill Farm	Truggist Lane	Coventry	CV7 7BW	2,214.50
CE05	Elimpic Limited	Unit 2	England	Wednesbury	WS10 0QZ	1,140.00
CE06	ETC Electrical	Unit 2	Church Street	Wednesbury	WS10 8RD	950.87
CE07	Erodex UK Ltd	Unit 6, Tipper Ind Estate	Park Road	Halesowen	B63 2RH	516.69
CF00	Flamekut Profiles (midlands) Ltd	Unit 39 Central Trading Estate	Station Street	Darlaston	WS10 8XB	21,208.32
CF01	Frontier Development Capital	Bakerville House	Centenary Square	Birmingham		8,800.00
CF02	Frederick Follows	129 Phillips Street	Aston	Birmingham	B6 4PT	2,362.20
CF03	EAP Metals Ltd t/a FSC Stainless &	Unit 1	Stringes close	Willenhall	WV13 1LE	693.60
CF05	FARO Technologies UK Ltd	Great Central Way		Rugby	CV21 3XH	6,040.48
CG00	GFP Tools Ltd	Unit 1 Block A,	Peartree Business Park	Dudley	DY2 0UW	71,452.43
CG01	GF Laser	Unit 5 Blackbrook Ind Estate	Narrow Boat Way	Peartree Lane	DY2 0XQ	2,075.98
CG02	GF Machining Solutions Ltd	Accounts,	North View	Coventry	CV2 2SJ	1,455.30
CG03	Grasam Samson	Unit E1 Douilton Road Trading Estate	Rowley Regis	West Midlands	B65 8JQ	441.80
CG04	GFP Debt from Invest/Samwage					(60,673.65)
CH02	Haines Watts Birmingham	Sterling House	71 Francis Road	Edgbaston	B16 8SP	59,433.52
CH03	Hurco Europe Ltd	Halifax Road	Cressex Business Park	High Wycombe	HP12 3SN	14,440.34
CH04	Haydock Finance Limited CAR	Challenge House	Challenge Way	Blackburn	BB1 5QB	7,336.51
CH05	Howard Lee & Son Ltd	337-345 Halesowen Road	Cradley Heath	West Midlands	B64 6PH	2,047.53
CH06	Handley Steel Ltd	31 School Lane	Shareshill	Wolverhampton	WV10 7LE	447.60
CH07	Hitachi - Polyworks 3D Scanner	Hitachi Capital House	Thorpe Road	Staines-upon-Thames	TW18 3HP	367.76
CI00	Industrial Tooling Corp Ltd	Cyber House	1 Kepler	Lichfield Rd Ind Est	B79 7XE	8,515.44
CI01	In-Comm Training Services	Vigo Place	Aldridge	Walsall	WS9 8UG	1,779.54
CJ00	James Lister & Sons	Spon Lane South	Smethwick	West Midlands	B66 1QJ	3,166.51
CJ01	Jacksons Workwear Rental Ltd	Head Office	Weir Street	Lincoln	LN5 8DT	750.16
CK00	K Transport Services Ltd	Parkside Garage	Old Stafford Road	Slade Heath	WV10 7PH	6,120.00
CL00	Longwear Surface Treatments Ltd	Pleasant Street	West Bromwich	B70 7DP		15,671.94
CL01	LMR Global Ltd	12 Llys Gwyn	Maesteg	Bridgend	CF34 0BG	2,540.88
CL02	Leasing Options TOYOTA KEVIN					360.13
CM00	Metrol Springs Ltd	75 Tender Road	Moulton Park	Northampton	NN3 6AX	28,605.65
CM01	Malthouse Engineering Co Ltd	3 - 5 Hainge Road	Tivitate	Oldbury	B69 2NL	24,831.42
CM02	MotoNovo Finance	One, Central Square	Cardiff	Wales	CF10 1FS	16,525.24
CM03	MW Designs Ltd	OFFICE 2+3, THE PILLAR	CIVIC CENTRE	QUEEN ELIZABETH DRIVE	WR10 1PT	12,600.00
CM04	MMC Hardmetal UK Ltd	Galena Close	Amington Heights	Tamsworth	B77 4AS	12,105.15
CM05	MPS	21 The Green	Crossfield Avenue	Cowes	PO31 8HD	6,690.00
CM06	MSC Industrial Supply Co	7 Pacific Avenue	Wednesbury	West Midlands	WS10 7WP	2,853.43
CM07	Midwest Fork Lift Services	Blackheath Trading Estate	Cakemore Road	Rowley Regis	B65 0QN	2,179.60

CM08	Moleroda Finishing Systems Ltd	Unit 5	Whaddon	Salisbury	SP5 3HF	620.73
CM09	My Work Wear	1 Kingsland House, Kingsland Estate	Halesfield 9	Telford	TF7 4QW	116.10
CM0A	Metal Supermarket	37 Kelvin Way Trading Estate	West Bromwich	B70 7TP		24.70
CM0B	Made in the Midlands Ltd	Unit 2		32 George Street	B3 1QG	478.80
CN01	Normec Ltd	273 Gayfield Avenue	Withymoore Village	Brierley Hill	DY5 2SU	26,177.20
CN02	Novuna Finance	One, St Peter's Square	Manchester	M2 3DE		12,397.72
CN03	N POWER	2 Princes Way		Solihull	B91 3ES	20,977.01
CN04	Norelem	The Innovation Centre	1 Devon Way	Birmingham	B31 2TS	80.06
CO00	Orbit Bearings	Unit 7 Hillcrest Ind estate	Corngreaves Rd	Cradely Heath	B64 7BT	106.44
CO02	O.M.C.R. S.R.L.	Via Quarantelli 8	San Maurizio C.	10077		32.29
CP00	PV & S Clifton Partnership	29 Whitehill Road	Kidderminster	Worcs	DY11 6JJ	46,934.84
CP01	Pemberton Engineering	Unit 7	Strawberry Lane Ind Est.	Willenhall	WV13 3RS	38,880.00
CP02	The Phoenix Pattern & Tool Company	Hobgate Road	Heath Town	Wolverhampton	WV10 0PG	21,408.00
CP03	Premier Patterns & Castings Limited	Unit 1 Elm Court	Crystal Drive	Smethwick	B66 1RB	2,280.00
CP04	Powell Office Style (Print &	Phoenix Park	Station Road	Rowley Regis	B65 0LJ	1,775.22
CP05	Precision Production Engineers Ltd	115 Powke Lane	Cradely Heath	B64 5PX		108.00
CP06	Protool Limited	Unit 1 Invicta Business Park	London Road	Wrotham	TN15 7RJ	58.20
CR00	Redine Telecom Ltd	13 Commercial Road	Hereford	HR1 2BB		637.60
CR01	RS Components	Duddeston Mill Road	Duddeston Mill Industrial Estate	Birmingham	B8 1AP	810.65
CR02	Ricki Stott CNC Machine Services	314 Rutland Avenue	High Wycombe	Bucks	HP12 3LX	759.00
CR03	REM Systems Ltd	Units A1 & A2 Salwarpe Business Park	Salwarpe Road	Droitwich Spa	WR9 9BN	109.20
CS00	Steadfast Solutions	Unit 49	Cyprus Street Ind Park	Cyprus Street		26,540.00
CS01	Sandwell Metropolitan Borough	Revenues & Benefits Services	PO Box 238	Sale	M33 6GX	(1.32)
CS02	Steel Express	Unit 1, Showell Road Industrial Estate	Showell Road	Wolverhampton	WV10 9LU	4,302.50
CS03	SEFE Energy formerly Gazprom	5th Floor	8 First Street	Manchester	M15 4RP	2,051.58
CS04	Shropshire Stainless & Aluminium	Unit 3 Foxhall Trade Park	Knights Way, Battlefield Enterprise	Shrewsbury	SY1 3AB	1,436.52
CS05	Siemens Invoice Finance Costs	Pinehurst 2	Pinehurst Road	Farnboroug	GU14 7BF	137.52
CS06	Serco Shared Service	PO Box 7379	Hook	RG27 7FR		104.62
CT00	TG Design	Unit 4	Croxstalls Close	Walsall	WS3 2XT	8,600.00
CT01	Technova Prec Ltd	Unit 8A Paragon Way	Bayton Rd Ind Est	Exhall	CV7 9QW	8,034.00
CT02	Thyssen Krupp Materials UK Ltd	Cox's Lane	Cradley Heath	B64 5QU		2,712.90
CT03	Thermofax Ltd	Block 2, Grazebrook Industrial Park	Peartree Lane	Dudley	DY2 0XW	780.00
CT04	Think Smart Marketing Ltd	15 Peregrine Avenue	Morley	Leeds	LS27 8TD	349.16
CT05	TECHNIA	Nordic House	Brunleys	Kiln Farm	MK11 3EW	4,028.82
CU00	UK Vending	Fort Bridgewood	Maidstone Road	Rochester	ME1 3DQ	532.97
CV00	Vodafone Limited	Vodafone House	The Connection	Newbury	RG14 2FN	(4,601.25)
CW00	West Bromwich Fasteners	Distribution House	5 Greets Green Industrial estate	Greets Green Road	B70 9EW	8,405.77
CW01	Wallwork Heat Treatment Ltd	Sydenham Road	Smallheath	Birmingham	B11 1DQ	5,991.64
CW02	WEC Electrodes	Unit 1 Premier Works	Providence Street	Cradley Heath	B64 5DR	2,145.48
CW03	WDS Component Parts Ltd	Richardshaw Road	Grangefield Industrial Estate	Pudsey	LS28 6LE	896.16
						872,069.00

[illegible]

Cube Precision Engineering Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 30/11/2023 To 02/01/2024 £	From 30/11/2023 To 02/01/2024 £
	SECURED ASSETS		
225,140.00	Plant & Machinery	NIL	NIL
5,144.00	Computer	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
7,009.00	Cash at Bank	NIL	NIL
	Contribution to costs	18,310.00	18,310.00
83,756.00	Insurance Refund	NIL	NIL
242,528.00	Other Fixed Assets	NIL	NIL
108,183.00	Stock/WIP	NIL	NIL
439,131.00	WIP	105,263.00	105,263.00
		123,573.00	123,573.00
	COST OF REALISATIONS		
	Bank Charges	1.70	1.70
	IT services	704.50	704.50
	Net Wages	8,484.80	8,484.80
	PAYE/NIC	2,096.43	2,096.43
	Plant maintenance	2,029.40	2,029.40
	Professional Fees	2,200.00	2,200.00
	Statutory Advertising	93.50	93.50
		(15,610.33)	(15,610.33)
1,110,891.00		107,962.67	107,962.67
	REPRESENTED BY		
	Floating Current Account		128,009.79
	VAT on Purchases		1,005.48
	VAT on Sales		(21,052.60)
			107,962.67

E Payments to the Joint Administrators and their associates

SIP9 disclosure

This appendix has been prepared in accordance with the requirements of the Act, the Rules and SIP9. In summary, it covers:

- pre-appointment costs
- remuneration basis
- work done by the Joint Administrators and their team during the Period
- statement of expenses incurred in the Period
- payments to associates
- relationships requiring disclosure
- sub-contracted work
- information for creditors (rights, remuneration, committees).

Pre-appointment costs

Pre-administration costs are fees charged and expenses incurred by the Joint Administrators, or other qualified insolvency practitioners, before the Company entered administration but with a view to it doing so. To the extent they remain unpaid when the Company entered administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

By way of engaging Grant Thornton, the Joint Administrators were engaged by the Company through a letter of engagement dated 23 November 2023 (the Agreement), to assist the directors in taking steps to place the Company into administration and to explore whether a pre-packaged sale of the business and assets of the Company could be achieved via an accelerated sales process. The fee basis was actual time spent on the engagement and out of pocket expenses and VAT at the appropriate rate to be added to our fees. Pre-administration time costs totalling £110,579 were incurred, none of which was paid by the Company pre-appointment. Creditor approval will shortly be sought for payment of Grant Thornton's pre-administration fees of £75,000 and £91 of pre-appointment expenses, in addition to Browne Jacobson LLP's legal fees of £11,613 and disbursements of £74, and Hilco's fees of £4,500. Approval to pay the pre-appointment fees and expenses will be sought from the secured and preferential creditors shortly.

Details of the pre-administration costs are provided below:

Cost	Work done	Why the work was necessary pre-appointment and how it furthered the achievement of an objective of administration	Incurred				Paid		Unpaid
			Grade	Hrs	£/hr	£	Name of payer and relationship to estate	Pre/post administration	
Grant Thornton fees	• Administration eligibility assessment	• To confirm that an objective of administration could be achieved and that administration, therefore, was an option for the Company	Partner	28.5	795	22,656	The Company	Pre-administration	110,579
	• Pre-packaged sale exploration		Associate Director	77.7	595	46,232			
	• Pre-appointment practicalities	• To assist management with gathering and preparing information, including valuations, for potential acquirers; identification of and introduction to potential acquirers	Manager	52.5	495	25,988			
			Assistant Manager	35.5	445	15,580			
		• To assist management in liaising with key stakeholders; and to advise Directors (as a board) of their general responsibilities with regard to insolvency	Executive	0.5	345	123			
			Total	194.7		110,579			
		• Liaising with management and solicitors to formally place the Company into administration							
Grant Thornton expenses	• Mileage	• Mileage to and from the Company's premises				91	The Company	Pre-administration	91
Browne Jacobson LLP fees	• Assisting with the formalities of placing the Company into Administration	• Solicitors were required to assist with the appointment of the administrators				11,613, plus disbursements of 74	The Company	Pre-administration	11,687

	<ul style="list-style-type: none">• Providing pre-appointment legal advice on ad hoc queries	<ul style="list-style-type: none">• Legal advice was sought on a number of matters prior to the appointment which assisted with the strategy of maximising realisations	Total 11,687			
Hilco Valuations fees	<ul style="list-style-type: none">• Providing a valuation of the Company's plant and machinery, equipment, motor vehicles and stock.	<ul style="list-style-type: none">• Advice was sought to ensure reasonable value was allocated against each asset of the business and ensuring the maximum realisations could be achieved in the interest of creditors	4,500	The Company	Pre-administration	4,500

- Notes:
- Partner includes director
 - Manager includes associate directors and managers
 - Executive includes assistant managers and executives

Post-appointment costs

Remuneration basis of the Joint Administrators

As at the date of this report the remuneration basis has not been set. Until at least such time as the remuneration basis has been fixed it is not possible to anticipate the total of our remuneration that will be paid from the estate.

During the Period remuneration has been charged, based on time costs incurred, totalling £138,701 represented by 284 hrs at an average of £488hr (as shown in the 'Work done' section below). A description of the work done in the Period is provided in the respective section below.

No payment has been made towards our remuneration as the basis of our remuneration has not yet been fixed.

Fees estimate

A fees estimate comprises the work anticipated to be undertaken and the estimated respective time cost (remuneration chargeable). The remuneration eventually paid may be more or less than the fees estimate depending on the complexity of the case as it progresses and the value of asset recoveries or successful claims, for example. The fees estimate below is based upon all information available to us as at Period end. We have considered and accounted for the different levels of expertise that we anticipate will be required to do the work we anticipate necessary to complete the administration, in calculating the time and cost included in the fees estimate table provided below. The table below also includes narrative details of the work done in the Period (numerical analysis of the work done is in the subsequent table and details of expenses incurred in the Period are provided in the 'Expenses' section further below). A more detailed numerical break down of the fees estimate is included in the SIP9 time costs analysis table further below.

Note that the fees estimate is also based on the following assumptions:

- The Administration of the Company concludes on or before 29 November 2024 and the Company is dissolved thereafter. Should the Administration continue beyond this date and/or if the Company is placed into CVL then a revised fees estimate may be required
- Fees estimated in respect of investigations solely relate to preliminary investigations. Should any further investigations and/or resultant litigation be identified during our work then we anticipate a revised fees estimate may be required

The table below sets out the work anticipated to be undertaken by the Joint Administrators and their team, together with the associated anticipated expenses. It is based upon all the information available to us as at Period end and includes narrative details of the work done in the Period (numerical analysis of the work done is in the subsequent table and details of expenses incurred in the Period are provided in the 'Expenses' section further below).

Unless otherwise stated, both the work done in the Period and the work anticipated is to comply with legislation and/or best practice requirements and, where applicable, to secure, manage and realise assets/recover claims to help generate financial value for the benefit of the estate and for distributions to creditors to be made (should sufficient funds become available). The work adds value to the insolvency process, if not financial value to the estate, and helps facilitate efficient case management.

Work done and why it was necessary	Anticipated work and why it is necessary	Fees estimate		
Assets		250 hrs	£488	£/hr
Estimated expenses: Total: £84,090 (insurance £1,000, security £7,500, agents £13,000, solicitors £25,000, property holding costs £35,635, plant maintenance £1,955)				122,049
Insurance				
<ul style="list-style-type: none"> Completing assessments of insurance requirements and liaising with the broker to obtain appropriate best value insurance for the assets Arranging site visits and complying with health and safety requirements Reviewed Company records to ascertain the status of the pre-appointment insurance premiums and/or claims 	<ul style="list-style-type: none"> Periodical review of insurance to ensure cover is relevant and current Continue to liaise with our insurance broker regarding the insurance of assets Obtaining information for our insurance brokers as necessary Implementing any works to ensure compliance with our insurance policy Liaising with the pre-appointment insurer as necessary in regard to outstanding claims Payment of insurance premiums when they fall due and cancelling cover when necessary 			
Property				
<ul style="list-style-type: none"> Instruct agents to secure the Company's leasehold premises Liaised with the landlord of the leasehold site to ascertain the lease position 	<ul style="list-style-type: none"> Arrange for the clearance of the leasehold site in preparation for vacating the site Continue to liaise with agents in respect of site security, clearance and to ensure the site is compliant from an insurance perspective Seek a surrender of the lease once the property is vacated Agree and may holding costs for the period of occupation 			
Debtors				
<ul style="list-style-type: none"> Obtaining and analysing debtor book to assess recoverability Writing to all known debtors to request immediate payment of all outstanding balances and ongoing negotiations to reach settlements, where disputed or deemed necessary 	<ul style="list-style-type: none"> Communication with debtors to chase outstanding and overdue balances Communication with Close Invoice Finance regarding the collection of book debts and the subsequent reassignment of the debtor ledger once applicable Agreement and subsequent settlement of any termination fees payable to Close Invoice Finance under their security Undertake a reconciliation of the debtors amounts received Commencing legal proceedings/strategy to recover outstanding balances, as necessary 			
Vehicles				
<ul style="list-style-type: none"> Locate all Company vehicles and associated documentation Notify insurer of registration numbers to ensure adequate cover Liaise with Hilco to realise value in vehicles, where appropriate 	<ul style="list-style-type: none"> Continue to liaise with Hilco to arrange for the collection of all leased and financed vehicles Continue to liaise with Hilco to realise value in Company vehicles 			
Plant & machinery, fixtures & fittings, equipment				
<ul style="list-style-type: none"> Engaged Hilco to value and assist with the marketing and sale of all plant and machinery Liaised with interested parties in respect of their offers for plant and machinery 	<ul style="list-style-type: none"> Continue to liaise with Hilco in respect of the sale of plant and machinery Ongoing discussions and negotiations with interested parties 			

- Engaged specialists to service and inspect the Company's crane, which is required to move WIP and plant and machinery

Stock & work-in- progress

- Negotiations with interested parties for stock assets
- Facilitated stock inspections for interested parties
- Arranged the logistics for collection of work-in-progress
- Issue sales invoices and collect proceeds

- No further work is anticipated

Cash at bank

- Liaise with Lloyds Bank regarding any cash at bank held upon appointment

- No further work is anticipated

Other assets

- Instructed CAPA to undertake a rates review
- Correspondence with Director(s) to ensure that any loan accounts, or other balances owing to the Company are repaid

- Arrange for an agent to securely wipe and dispose of the Company's laptops
- Liaise with CAPA as necessary in respect of any rates refunds
- Continue with correspondence with directors to ensure that any loan accounts, or other balances owing to the Company are repaid

Investigations

65 hrs £488 £/hr 31,733

Estimated expenses: Total £1,500 (storage £1,500)

Debtor / directors / senior employees

- Conducted a preliminary review into the Company's affairs
- Requested completion of director questionnaires to understand Company history

- Reviewing Company records to establish the reasons for its failure
- Review questionnaires from Directors and chase responses, where required
- Completing relevant forms on the Directors Conduct Reporting Service portal and undertaking internal checks

Books & records

- Reviewed the Company's software platforms and collated information
- Discussed ongoing usage with the software providers and sought assistance from retained employees regarding the requirement of ongoing software platforms
- Instructed Surftech IT Limited to arrange for the secure download and copy of the Company's server

- Arrange for the secure back up of the Company's IT servers
- Recovering and reviewing information from the Company's IT systems
- Arrange for the collection and storage of the Company's paper records
- Reviewing the Company's books and records
- Carrying out analysis, if applicable
- Arrange for the secure destruction or storage of paper records as appropriate

Bank statements & analysis

- No work undertaken during the Period

- Reviewing the Company's bank statements as part of our statutory investigations

Claims	
<ul style="list-style-type: none"> No work undertaken during the Period 	<ul style="list-style-type: none"> Based on information received and work carried out in this matter, identify potential claims to pursue for financial recovery to the estate On an ongoing basis, formulate, assess and revise strategies to pursue identified potential claims Carry out further investigation work, to develop claims as appropriate
General	
<ul style="list-style-type: none"> No work undertaken during the Period 	<ul style="list-style-type: none"> General internal discussions with regards to our statutory investigations
Creditors	
Estimated expenses: Total £9,200 (ERA Solutions Limited £2,200, solicitors £7,000)	
Secured	
<ul style="list-style-type: none"> Providing updates to Close Invoice Finance Instructed Freeths to provide a security review prior to any distributions being made Liaising with all secured creditors to request documents for the security review 	<ul style="list-style-type: none"> Continue to provide updates to Close Invoice Finance and seek approvals as necessary including fixing the basis of the Joint Administrators' remuneration Depending upon funds available, make a distribution to one or more secured creditors
Employees & pensions	
<ul style="list-style-type: none"> Gathered employee information Engaged and liaised with ERA to attend site and hold meetings with employees to inform them of the redundancy claim process Assisted employees in respect of their claims and queries Processed payroll for retained employees Completed redundancy processes of all remaining employees who were temporarily retained to support the administration 	<ul style="list-style-type: none"> Liaising with employees in respect of their claims and address any queries they may have Liaising with ERA in relation to employee claims
Unsecured	
<ul style="list-style-type: none"> Gathered information in relation to known unsecured creditors in respect of their claims in the estate Wrote to all known creditors advising of the appointment and other statutory reporting requirements Liaised with unsecured creditors in respect of their claims in the estate 	<ul style="list-style-type: none"> Continue to liaise with creditors in respect of their claims and address any queries they may have Writing to all creditors providing the Joint Administrators' Proposals and other statutory requirements
Retention of title	
<ul style="list-style-type: none"> Liaised with and reviewed documentation from claimants and obtained further detail about their claims where required Handled Retention of Title claims received Liaised with retained employees to facilitate collection of Retention of Title goods 	<ul style="list-style-type: none"> Dealing with any ongoing claims and any additional claims as and when they are received

Dividends				
<ul style="list-style-type: none"> No work undertaken during the Period 		<ul style="list-style-type: none"> Continued monitoring of Estimated Outcome Statement to establish potential level of funds available for each class of creditor Should there be sufficient funds available, to undertake the dividend process as appropriate including the adjudication and admittance of claims 		
Administration				
Estimated expenses: Total £17,150 (£1,100 disbursements and other associated costs, £1,000 IT costs, £13,300 retained staff wages, £1,750 SoA fee)		240 hrs	£488	£/hr 117,167
Appointment formalities				
<ul style="list-style-type: none"> Attended to day 1 administration matters Prepared, circulated, advertised and filed notice of appointment Filed appointment documents at Companies House 		<ul style="list-style-type: none"> Continue to file documents at Companies House as required by statute 		
Case set-up				
<ul style="list-style-type: none"> Setting-up and maintaining a case record on the Insolvency Practitioners System, including inputting company/debtor and appointment details, setting the appropriate reporting diary to facilitate compliance with statutory requirements Calculating, completing and submitting the bordereau notification to protect the insolvency estate Collating and assessing information regarding data collection, storage, processing and destruction to comply with data protection regulations; implementing and maintaining any necessary data protection strategies, reporting any known issues 		<ul style="list-style-type: none"> Continuing to maintain insolvency practitioner's software and transaction processing software 		
Case management				
<ul style="list-style-type: none"> Review of case and progress by insolvency practitioners and internal risk management team 		<ul style="list-style-type: none"> Reviewing of case and progress by Insolvency Practitioners and internal risk management team Continue to monitor the costs of the administration Continue to update the Estimated Outcome Statement Conduct regular file reviews Conduct regular internal case management meetings to ensure that the remaining matters relevant to the case are being actioned 		
Reports to creditors, notices & decisions				
<ul style="list-style-type: none"> Notify creditors of appointment Drafting the Proposals for achieving the purpose of administration 		<ul style="list-style-type: none"> Drafting, circulating and filing of reports to creditors every six months regarding case progress and any significant matters Monitoring deemed consent and/or decision procedures, reviewing submissions, establishing the decision outcomes, assessing validity and reporting as appropriate 		

	<ul style="list-style-type: none"> Preparing the necessary paperwork in relation to fixing the basis of the Joint Administrators' remuneration, forming a committee and any other necessary decisions
Shareholders / debtor / director communications	
<ul style="list-style-type: none"> No work undertaken during the Period 	<ul style="list-style-type: none"> Liaise with Directors and Shareholders where required regarding Company matters including books and records, site issues
Statement of affairs	
<ul style="list-style-type: none"> Requested SoA from the directors 	<ul style="list-style-type: none"> Review and assess the statement of affairs to identify and seek explanation of any differences regarding expected realisations, follow up related queries appropriately
Treasury, billing & funding	
<ul style="list-style-type: none"> Managed and maintained the estate's bank account. Liaised with Lloyds to place an inhibit on the pre-administration bank account to prevent payments being made 	<ul style="list-style-type: none"> Undertaking bank reconciliations Managing and maintaining the estate's bank account and processing receipts and payments throughout the administration
Tax	
<ul style="list-style-type: none"> Collected tax information Considered the Company tax liabilities and potential refunds Corresponded with HMRC including the submission of statutory forms 	<ul style="list-style-type: none"> Collecting further tax information, as required Completion of tax and VAT returns Calculating and discussing VAT impact of achieving sale of the assets Corresponding with HMRC
Pensions	
<ul style="list-style-type: none"> Collected pensions information and presented it to pensions team Corresponded with the Pensions Regulator, employee benefits providers and pension scheme Completed and filed statutory pension forms 	<ul style="list-style-type: none"> Corresponding with the Pensions Regulator, employee benefits provider and pension scheme as necessary
Closure	
<ul style="list-style-type: none"> No work undertaken during the Period 	<ul style="list-style-type: none"> Obtaining tax clearance from HMRC, ensuring that all assets have been realised or otherwise dealt with, ensuring all funds have been distributed where applicable Drafting final report and circulating to creditors Filing relevant documents at Companies House to ensure closure of the administration
Total fees estimate	710 hrs £488 £/hr
Total expense estimate	£111,940

Detailed SIP9 time cost analysis for the Period and fees estimate variance analysis as at Period end

Period from 30/11/2023 to 02/01/2024

Area of work	Partner		Manager		Executive		Administrator		Period total		Fees estimate		Variance				
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£			
Realisation of Assets:									130.10	67,069.50	515.52	250.00	122,048.50	488.19	119.90	54,979.00	458.54
Insurance	-	-	1.50	892.50	6.00	2,670.00	-	-	7.50	3,562.50	475.00	25.00	12,204.85	488.19	17.50	8,642.35	493.85
Property	-	-	-	-	0.90	320.50	-	-	0.90	320.50	356.11	15.00	7,322.91	488.19	14.10	7,002.41	496.62
Debtors	9.50	7,552.50	59.40	30,443.00	-	-	-	-	68.90	37,995.50	551.46	80.00	39,055.52	488.19	11.10	1,060.02	95.50
Vehicles	-	-	-	-	7.00	3,115.00	-	-	7.00	3,115.00	445.00	20.00	9,763.88	488.19	13.00	6,648.88	511.45
Plant & machinery, fixtures & fittings, equipment	-	-	11.10	6,604.50	26.50	11,792.50	-	-	37.60	18,397.00	489.28	50.00	24,409.70	488.19	12.40	6,012.70	484.90
Cash at bank	-	-	0.20	119.00	-	-	-	-	0.20	119.00	595.00	5.00	2,440.97	488.19	4.80	2,321.97	483.74
Sale of business	-	-	-	-	-	-	-	-	-	-	-	10.00	4,881.94	488.19	10.00	4,881.94	488.19
Other assets	-	-	-	-	-	-	-	-	-	-	-	15.00	7,322.91	488.19	15.00	7,322.91	488.19
General	-	-	-	-	-	-	-	-	-	-	-	10.00	4,881.94	488.19	10.00	4,881.94	488.19
Stock & work-in-progress	-	-	-	-	8.00	3,560.00	-	-	8.00	3,560.00	445.00	20.00	9,763.88	488.19	12.00	6,203.88	516.99
Investigations:									2.40	1,087.00	452.92	65.00	31,732.61	488.19	62.60	30,645.61	489.55
Debtor / director / senior employees	-	-	-	-	0.50	122.50	0.40	72.00	0.90	194.50	216.11	20.00	9,763.88	488.19	19.10	9,569.38	501.01
Books & records	-	-	1.50	892.50	-	-	-	-	1.50	892.50	595.00	10.00	4,881.94	488.19	8.50	3,989.44	469.35
Bank statements & analysis	-	-	-	-	-	-	-	-	-	-	-	15.00	7,322.91	488.19	15.00	7,322.91	488.19
Claims	-	-	-	-	-	-	-	-	-	-	-	10.00	4,881.94	488.19	10.00	4,881.94	488.19
General	-	-	-	-	-	-	-	-	-	-	-	10.00	4,881.94	488.19	10.00	4,881.94	488.19
Creditors:									64.36	33,441.55	519.60	155.00	75,670.07	488.19	90.64	42,228.52	465.89
Secured	8.75	6,956.25	4.30	2,558.50	-	-	-	-	13.05	9,514.75	729.10	20.00	9,763.88	488.19	6.95	249.13	35.65
Employees & pensions	4.50	3,577.50	15.00	9,345.00	7.10	3,039.50	-	-	26.60	15,962.00	600.08	35.00	17,086.79	488.19	8.40	1,124.79	133.90
Unsecured	-	-	-	-	0.60	180.00	11.11	1,999.80	11.71	2,179.80	186.15	20.00	9,763.88	488.19	8.29	7,584.08	914.65
Retention of title	-	-	-	-	13.00	5,785.00	-	-	13.00	5,785.00	445.00	25.00	12,204.85	488.19	12.00	6,419.85	534.99
Special (ransom) creditors	-	-	-	-	-	-	-	-	-	-	-	5.00	2,440.97	488.19	5.00	2,440.97	488.19
Dividends	-	-	-	-	-	-	-	-	-	-	-	40.00	19,527.76	488.19	40.00	19,527.76	488.19
General	-	-	-	-	-	-	-	-	-	-	-	10.00	4,881.94	488.19	10.00	4,881.94	488.19
Administration:									87.25	37,102.75	425.25	240.00	117,166.56	488.19	152.75	80,063.81	524.15
Take-on	-	-	-	-	-	-	-	-	-	-	-	10.00	4,881.94	488.19	10.00	4,881.94	488.19
Appointment formalities	2.25	1,788.75	13.50	5,482.50	13.90	5,605.50	-	-	29.65	12,876.75	434.29	35.00	17,086.79	488.19	5.35	4,210.04	786.92
Case set-up	-	-	-	-	0.50	122.50	-	-	0.50	122.50	245.00	10.00	4,881.94	488.19	9.50	4,759.44	500.99
Case management	-	-	21.10	11,704.50	11.70	4,093.25	-	-	32.80	15,797.75	481.64	40.00	19,527.76	488.19	7.20	3,730.01	518.06
Reports to creditors, notices & decisions	-	-	-	-	0.90	239.75	2.30	414.00	3.20	653.75	204.30	30.00	14,645.82	488.19	26.80	13,992.07	522.09
Shareholders / debtor / director communications	-	-	-	-	-	-	-	-	-	-	-	20.00	9,763.88	488.19	20.00	9,763.88	488.19
Statement of affairs	-	-	0.50	297.50	-	-	-	-	0.50	297.50	595.00	10.00	4,881.94	488.19	9.50	4,584.44	482.57
Treasury, billing & funding	-	-	1.00	380.00	11.90	2,756.00	1.20	216.00	14.10	3,352.00	237.73	20.00	9,763.88	488.19	5.90	6,411.88	1,086.76
Tax	1.00	895.00	2.10	1,249.50	0.90	320.50	1.00	345.00	5.00	2,810.00	562.00	20.00	9,763.88	488.19	15.00	6,953.88	463.59
Pensions	-	-	1.50	1,192.50	-	-	-	-	1.50	1,192.50	795.00	15.00	7,322.91	488.19	13.50	6,130.41	454.10
Closure	-	-	-	-	-	-	-	-	-	-	-	30.00	14,645.82	488.19	30.00	14,645.82	488.19
Total	26.00	20,770.00	132.70	71,161.50	109.40	43,722.50	16.01	3,046.80	284.11	138,700.80	488.19	710.00	346,617.75	1,952.78	425.89	207,916.95	488.19

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Adverse variances are presented in brackets
- Please note that the actual time incurred in the Period may slightly differ to that reported in the table above. This is due to lags between time being recorded on our internal system by staff and then being posted to the case. We do not expect any differences to be material and any such discrepancies will be noted in our next report.

Statement of expenses incurred in the Period

This table provides details of expenses incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the 'Fees estimate and work done in the Period' section above.

Category	Incurred in the Period (£)	Of which paid by the estate as at Period end (£)
Category 1 expenses		
Insolvency Practitioners' Bond	20	-
Bank charges	2	2
Surf Tech IT Ltd - IT Services	705	705
Payroll - Net wages for retained staff	8,485	8,485
HMRC - PAYE/NIC for retained staff payments	2,096	2,096
A G Cranes Ltd - Plant maintenance	1,350	1,350
WEC Electrodes – Plant maintenance	74	74
Midwest Forklift Services – Plant maintenance	605	605
ERA Solutions Ltd - Professional fees	2,200	2,200
Statutory advertising	94	94
Browne Jacobson UK LLP - Legal fees	962	-
Cooper Parry Advisory Ltd – SoA support	1,750	-
Category 2 expenses		
Mileage	623	-
Total expenses	18,966	15,611

Expenses are any payments from the estate which are neither the Joint Administrators' remuneration nor a distribution to a creditor or member, but they may include disbursements which are payments first met by and then reimbursed to the Joint Administrators from the estate. Expenses fall into two categories:

Category 1 expenses

These are also known as 'out of pocket expenses' and are payments to third parties not associated with the Joint Administrators where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval from creditors.

Category 2 expenses

These are expenses directly referable to the insolvent estate but payments that are either to an associate, or that include shared or allocated costs that may be incurred by the Joint Administrators or their firm and that can be allocated to the appointment on a proper and reasonable basis. Category 2 expenses require approval in the same manner as the Joint Administrators' remuneration.

The basis and resolutions are set out in the table below for shared or allocated costs, where applicable, and mileage. For associates, please see the next section – Payments to associates.

	Fee / cost basis
Mileage	Mileage is charged at 45p a mile. VAT is added as appropriate. Details of these costs are provided in the table above, where incurred. Approval for these costs will be sought in due course

Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service.

To the extent that services have been enlisted from Grant Thornton's specialist teams, for example tax, pensions, digital forensics, or any others, the narrative for and cost of their work is included in the work done narrative and SIP9 time costs analysis details in the Fee basis of the Joint Administrators and their team during the Period section above.

We confirm that in the Period, we have not enlisted any other services from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has an association.

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators' fee basis.

Sub-contracted work

During the Period we have sub-contracted the following work that could otherwise have been carried out by us or our team:

Sub-contractor	Work sub-contracted	Reason(s) for sub-contracting
ERA Solutions Limited	<ul style="list-style-type: none">• Employments rights advice	<ul style="list-style-type: none">• Specific expertise
CAPA	<ul style="list-style-type: none">• Pre-appointment business rates review	<ul style="list-style-type: none">• Specific expertise

The costs incurred and paid for each subcontractor can be seen in the 'Statement of expenses incurred in the Period' table above.

Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) remuneration and the roles and functions of committees and how to make a complaint is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.



© 2023 Grant Thornton UK LLP. All rights reserved.

Chartered Accountants. Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address. Please see grantthornton.co.uk for further details.