In accordance with Rule 3.35 of the Insolvency (England and Wales) Rules 2016 Paragraph 49(4) of Schedule B1 to the Insolvency Act 1986 and regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021.

AM03

Notice of administrator's proposals

Companies House

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

1 Company details

Company number	0 8 3 8 1 7 0 7
Company name in full	WN Vtech Holdings Limited

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

2 Administrator's name

Full forename(s)	Daniel James Mark
Surname	Smith

3 Administrator's address

Building name/number	The Colmore Building
Street	20 Colmore Circus Queensway
Post town	Birmingham
County/Region	
Postcode	B 4 6 A T
Country	

4 Administrator's name ❶

Full forename(s)	Julian
Surname	Heathcote

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	The Colmore Building
Street	20 Colmore Circus Queensway
Post town	Birmingham
County/Region	
Postcode	B 4 6 A T
Country	

❷ **Other administrator**
Use this section to tell us about another administrator.

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 ❶

☐ I attach a copy of the qualifying report

☐ I attach a statement of disposal

❶ 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 X
Signature date	d 1 d 1 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: Thomas Shorthouse

Company name: Teneo Financial Advisory Ltd

Address: The Colmore Building
20 Colmore Circus Queensway

Post town: Birmingham

County/Region:

Postcode: B 4 6 A T

Country:

DX:

Telephone: +44 121 619 0120

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

Teneo®

Registered Office:
c/o Teneo Financial Advisory Limited
3rd Floor, The Colmore Building
20 Colmore Circus, Queensway
Birmingham
B4 6AT

WN Vtech Limited ("WN Vtech"), WN Vtech Holdings Limited (“Holdings”), JM Engineering (Scarborough) Limited (“JME”), Treka Bus Limited (“Treka”), Promech Technologies Limited (“Promech”) & Vehicle Conversion Specialists Limited (“VCS”) (all in administration) (“the Companies”)

JOINT ADMINISTRATORS’ STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED) (“the Act”).

Julian Heathcote and Daniel James Mark Smith (“the Joint Administrators”) were appointed Joint Administrators of the Companies on 20 November 2023 by the directors of the Companies. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Teneo Financial Advisory Limited (“Teneo”) are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), (“the Act”), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

As stated in the administration appointment documents, these are COMI proceedings (i.e. the centre of main interests is in the UK).

11 January 2024

Teneo Financial Advisory Limited
The Colmore Building
20 Colmore Circus
Queensway
Birmingham B4 6AT
UK
Tel: +44 (0)
www.teneo.com/service/restructuring

This Statement of Joint Administrators' Proposals ("the Proposals" or "our Proposals") has been prepared pursuant to paragraph 49 of Schedule B1 of the Act, which requires that we, as the Joint Administrators, provide creditors with details of our Proposals to achieve the purpose of the administrations.

We do not think that the Companies have sufficient property to enable a distribution to be made to unsecured creditors. As such we are not required to ask creditors to approve our Proposals unless requested to do so by creditors whose total debts amount to at least 10% of the total debts of each relevant company. If you would like to ask us to hold a decision procedure to consider our Proposals please complete a Form for Requisitioned Decisions which is available for download from the website set up for the administration at www.ips-docs.com and return it to us by post or email no later than 29 January 2024. Please note that a deposit of £1,000 will be required towards the costs of initiating the decision procedure; such deposit may be refunded as an expense of these proceedings under Rule 15.19(4) Insolvency (England & Wales) Rules 2016 ("the Rules"), if so decided by creditors. In the event that a request for a decision procedure is not received by us within the above deadline, our Proposals will be deemed approved on 29 January 2024 and a notice to that effect will be filed at Companies House.

Please also note that hard copies of any of these documents will be provided free of charge on request.

We have also included the following information in this report:

- background of the Companies;
- the circumstances giving rise to the appointment of the Joint Administrators;
- the progress of the administrations to date; and,
- the Joint Administrators' Proposals for achieving the objective of the administrations (Appendix E).

Yours faithfully
For and on behalf of the Companies

J. Heathcote

Joint Administrator

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Key messages

Key messages

Joint Administrators of the Companies

Julian Heathcote

Daniel James Mark Smith

Teneo Financial Advisory Limited

3rd Floor, The Colmore Building,

20 Colmore Circus, Queensway

Birmingham

B4 6AT

Contact details

Email: alia.khan@teneo.com

www.ips-docs.com

Tel: +44 113 396 0164

Date Proposals delivered to creditors: 11 January 2024

	Commentary
Purpose of the administrations	• The purpose of the administrations is to achieve a better result for the creditors of each of the Companies as a whole than liquidation.
Joint Administrators' strategy	• Trading continued for a limited period while a purchaser of the business was sought. • A sale of the business and assets of WN Vtech, Treka, Promech and JME was completed on 5 December 2023. The sale also included the transfer of all employees of Holdings. • Negotiations are ongoing with interested parties for the business and assets of VCS. • Please refer to pages 19 to 23 for further details.
Approval of the Proposals	• As there is no prospect of any funds being returned to unsecured creditors, our Proposals will be deemed approved by creditors unless a decision procedure is requested under Rule 15.18. Please refer to page 1 for further details.
Estimated Timescale	• On current information the duration of the administrations is not likely to exceed 12 months following which it is anticipated that the Companies will move to dissolution as detailed on page 27.
Estimated Costs	• Please note all fees, costs and expenses, unless otherwise stated, are reported net of VAT. • We propose to seek approval to charge our fees by reference to our time costs in WN Vtech, Treka, Promech, JME, and VCS. • As we anticipate no assets are to be realised in Holdings, no fee basis will be sought for this company. • We have provided a Fees Estimate showing a breakdown of our anticipated total costs and actual costs to date for each administration at Appendix D. • We anticipate that third party expenses in relation to legal and agents' fees will be in the region of c.£0.5m over the duration of the appointment as detailed on page 30. • We anticipate that our expenses, including disbursements, will be c.£20k over the duration of the appointment as detailed at pages 31 and 32.
Estimated Outcomes	• On current information, we anticipate the following outcome for each category of creditor in each of the Companies: - Secured creditors: The secured creditors will not be repaid in full. - Ordinary preferential creditors: There will be insufficient floating charge realisations to enable payment in full of ordinary preferential claims. - Secondary Preferential creditor: There will be insufficient floating charge realisations to enable payment in full of HM Revenue & Customs' ("HMRC") secondary preferential claims. - Unsecured creditors: There is no prospect of a distribution for unsecured creditors.
Shareholders	• There is no prospect of a return to the shareholders of the Companies. Additional information for shareholders can be found on page 35.
Proposals	• Our Proposals for managing the business and affairs of the Companies can be found on page 63 and 64.

Background

Background and ownership	6
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Background

Background and ownership

Background

The Companies, together with certain other holding companies, dormant companies and a separate insolvent German subsidiary, trade as the WN Vtech group ("the Group") delivering the design and manufacture of specialist vehicle conversion work and the sale of related spares and pre-owned vehicles.

We understand the Group was first established in 1820 as Pierceys Coachbuilders. The Group has expanded through multiple acquisitions and prior to the Joint Administrators' appointment traded across six brands with a focus on buses, ceremonial and blue light vehicles. The principal activities of the Companies comprised:

WN Vtech

Four brands operating across two sites:

Bolton:

- Coleman Milne - specialising in the production of funeral cars ; and
- VCS Police - customising police vehicles.

Rochdale:

- Mellor - short wheel-based buses; and
- Sigma - long wheel-based buses.

Under these brands, WN Vtech provided specialist vehicle production and maintenance. At the date of our appointment, WN Vtech employed 311 staff across both sites.

Holdings

Operated as a holding company for the Group. It provided and recharged some centralised services to the rest of the Group including financial support, HR, H&S and IT infrastructure.

At the date of our appointment, Holdings employed 14 staff across the Group's seven sites.

VCS

Manufactured and maintained emergency vehicles for the NHS, making specialised conversions as required.

At the date of our appointment, VCS employed 147 staff at its Bradford site.

Treka

Treka manufactured specialist passenger carrying vehicles and buses under the Treka brand.

At the date of our appointment, Treka employed 94 staff across two sites in Brighouse and Wakefield.

Promech

Specialist fabrication business facilitating chassis development for the Group. At the date of our appointment, Promech employed 32 staff at its Scarborough site.

JME

Specialist engineering business supporting the Group and third-party customers. At the date of our appointment JME employed 18 staff at its Scarborough sites.

Ownership and debt facilities

A Group structure chart as at the date of our appointment is set out on the following page.

The immediate shareholder of the Companies is Trinity Bidco Limited, the ultimate parent company is Trinity Topco Limited.

The Group's secured debt comprised the following:

- £2.2m Super-Senior first ranking secured facilities provided by National Westminster Bank Plc ("NatWest")
- c.£32m senior second ranking secured facilities comprised of a £2m RCF and £30m of term loans provided through Global Loan Agency Services Limited ("GLAS") as facility agent and Glas Trust Corporation Limited ("Glas Trust") as facility and security agent for NatWest, Santander UK plc ("Santander") and Corebridge Capital / American International Group, Inc ("AIG") ("the Lenders"); and
- c.£73m third ranking loan notes provided to Trinity Midco Limited by BGF Group plc ("BGF") and Rutland Partners LLP ("Rutland") and then lent down to the Companies through intercompany loans. The Companies are guarantors for the loan notes secured by fixed and floating charges.

Please refer to page 25 for further details on the Group's secured debt structure.

The directors' statement of affairs on pages 38 to 43 exclude intercompany balances including the £73m due to Trinity Midco Limited in respect of the third ranking loan notes.

Background
Group structure

Structure chart

Key:
- Other group entity
- Administration entity
- Northern Ireland holding entity
- German insolvent entity
- Dormant entity

WN VTech Holdings Limited

WN VTech Limited

Promech Technologies Limited

JM Engineering (Scarborough) Limited

Vehicle Conversion Specialists Limited

Woodall Nicholson Trustee Limited

Treka Bus Limited

Woodall Nicholson Binz International Gmbh HRB

Mellor Coachcraft Limited[1]

Coleman Milne Limited[1]

Vehicle Conversion Specialists (Republic of Ireland) Limited

Background

Summary financials

WN Vtech Limited Summary profit and loss account

£'000	Management Accounts for 9 months to 30/09/2023	Statutory Accounts for 12 months to 31/12/2022	Statutory Accounts for 12 months to 31/12/2021
Turnover	40,202	45,494	39,831
Cost of Sales	(36,011)	(39,766)	(35,415)
Gross Profit	**4,191**	**5,728**	**4,415**
Gross Margin %	10%	13%	11%
Other Expenses	(3,104)	(8,882)	(324)
Operating (Loss)/Profit	**1,087**	**(3,154)**	**4,091**

WN Vtech Limited Summary balance sheet

£'000	Management Accounts as at 30/09/2023	Statutory Accounts as at 31/12/2022	Statutory Accounts as at 31/12/2021
Fixed assets	**8,077**	**7,209**	**5,240**
Stock	18,312	10,175	11,267
Debtors	28,453	14,955	10,402
Cash	2,743	2,052	1,148
Intercompany	20,776	-	-
Deferred Tax	7,369	-	-
Current Assets	**77,653**	**27,183**	**22,817**
Trade creditors	(38,865)	(18,529)	(11,497)
Other Creditors	(5,808)	-	-
Deferred Tax	(1,036)	(369)	(469)
Total Liabilities	**(45,709)**	**(18,898)**	**(11,966)**
Net Assets	**40,021**	**15,494**	**16,091**

Overview of financial information

Extracts from the WN Vtech statutory accounts for the 12 months to 31 December 2022 ("FY22") and 12 months to 31 December 2021 ("FY21") and the management accounts for the nine months to 30 September 2023 are shown opposite.

Please note that this information has not been verified by the Joint Administrators or by Teneo.

Profit and loss commentary

WN Vtech's turnover for FY22 was c.£45.5m, an increase of c.£5.7m on the prior year. The directors attributed the increase in sales to the return of the car division (Colman Milne) to normalised trading levels post-pandemic and the implementation of the new Sigma range of electric buses. Turnover in the nine months to 30 September 2023 was tracking in line with the prior year.

Operating loss for FY22 was c.£3.2m, a decline of c.£7.2m from the prior year. The operating profit in FY21 included insurance claim income of £4.2m relating to the pandemic business interruption and the results in FY22 included exceptional administrative costs of c.£6.9m from:

- the closure of the site in Germany giving rise to an intercompany write off (c.£4.7m); and
- write off of the Orion E product line, an all-electric low floor bus manufactured by the Mellor brand which was discontinued in FY22 (c.£2.2m).

Balance sheet commentary

Tangible fixed assets principally comprise of a freehold site at Westhoughton and a freehold / long leasehold property at Rochdale, plant & machinery, office equipment and production tooling.

Intangible fixed assets comprise investment in design and development, intellectual property ("IP") and computer software.

As at 30 September 2023 the balance sheet shows a significant increase in debtor and stock balances which placed pressure on cash resources. This is also reflected in a significant increase in trade creditors balance.

Background

Summary financials

Treka Bus Limited Summary profit and loss account

£'000	Management Accounts for 9 months to 30/09/2023	Statutory Accounts for 12 months to 31/12/2022	Statutory Accounts for 12 months to 31/12/2021
Turnover	19,039	11,670	23,775
Cost of Sales	(17,427)	(9,964)	(21,116)
Gross Profit	**1,612**	**1,707**	**2,659**
Gross Margin %	8%	15%	11%
Other Expenses	(631)	(989)	(506)
Operating (Loss)/Profit	**981**	**718**	**2,154**

Treka Bus Limited Summary balance sheet

£'000	Management Accounts as at 30/09/2023	Statutory Accounts as at 31/12/2022	Statutory Accounts as at 31/12/2021
Fixed assets	**272**	**306**	**273**
Stock	3,484	1,641	1,215
Debtors	5,373	4,658	4,599
Cash	3,763	4,252	3,251
Current Assets	**12,620**	**10,551**	**9,065**
Trade creditors	(6,891)	(5,937)	(5,023)
Deferred Tax	(7)	(5)	(9)
Total Liabilities	**(6,898)**	**(5,942)**	**(5,032)**
Net Assets	**5,724**	**4,915**	**4,306**

Overview of financial information

Extracts from the Treka statutory accounts for FY22 and FY21 and the management accounts for the nine months to 30 September 2023 are shown opposite.

Please note that this information has not been verified by the Joint Administrators or by Teneo.

Profit and loss commentary

Turnover fell from £23.8m in FY21 to £11.7m in FY22, a decrease of £12.1m. The decline in results in FY22 was driven by a site closure due to supply chain constraints following the Covid-19 Pandemic.

Operating profit for FY22 was £0.7m, £1.4m lower than the previous year.

The management accounts as at 30 September 2023, despite showing an increase in year to date ("YTD") turnover, recorded a fall in gross margin to 8% and an operating profit of c£1m.

Other expenses in FY22 were £0.2m lower than prior year. FY21 other expenses were recorded as £1.2m less a credit against expenses in respect of £0.6m received in relation to insurance claims reducing other expenses to £0.6m. No exceptional costs are noted in the period ended 30 September 2023.

Balance sheet commentary

Tangible fixed assets principally comprise:

- Short term leasehold interest; and
- Plant and machinery.

As at 30 September 2023 the balance sheet shows a significant increase in debtors and stock balances (increase of £1.8m) which placed pressure on cash resources. This is also reflected in the increased trade creditors balance (increase of £0.9m) recorded as at 30 September 2023, compared to FY22 and FY21.

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Background

Summary financials

Vehicle Conversion Specialists Ltd Summary profit and loss account

£'000	Management Accounts for 9 months to 30/09/2023	Statutory Accounts for 12 months to 31/12/2022	Statutory Accounts for 12 months to 31/12/2021
Turnover	12,526	18,747	11,439
Cost of Sales	(12,318)	(16,447)	(9,302)
Gross Profit	**208**	**2,300**	**2,138**
Gross Margin %	2%	12%	19%
Other Expenses	(838)	(2,305)	(233)
Operating (Loss)/Profit	**(630)**	**(5)**	**1,904**

Vehicle Conversion Specialists Ltd Summary balance sheet

£'000	Management Accounts as at 30/09/2023	Statutory Accounts as at 31/12/2022	Statutory Accounts as at 31/12/2021
Fixed assets	**3,841**	**2,625**	**2,100**
Stock	6,635	4,232	2,012
Debtors	2,704	3,793	2,097
Cash	(483)	1,891	1,283
Current Assets	**8,856**	**9,916**	**5,392**
Trade creditors	(8,696)	(8,313)	(4,240)
Deferred Tax	(164)	(126)	(164)
Total Liabilities	**(8,860)**	**(8,439)**	**(4,404)**
Net Assets	**3,837**	**4,101**	**3,088**

Overview of financial information

Extracts from the VCS statutory accounts for FY22 and FY21 and the management accounts for the nine months to 30 September 2023 are shown opposite.

Please note that this information has not been verified by the Joint Administrators or by Teneo.

Profit and loss commentary

Turnover for FY22 was £18.7m, an increase of £7.3m on the prior year. The increase is driven by a full year of the NHSi Tender Framework that was awarded in 2021, and an increase in new products with a number of customers. Turnover in the nine months to 30 September 2023 was tracking below FY22 levels.

Operating loss for FY22 was £5k, a decline of £1.9m on prior year. The decline was due to a receipt in FY21 of £1.6m relating to insurance claims (shown in other expenses). Profitability was also impacted by increased spend on product development along with post-pandemic supply chain issues. As at 30 September 2023 gross margin had fallen significantly to 2% from 12% and 19% in prior years.

Balance sheet commentary

Tangible fixed assets principally comprise:

- Freehold property (Bradford site);
- Short term leasehold property interest; and
- Plant and machinery.

Immaterial additions of £0.2m were made in FY22.

Intangible assets comprise of capitalised development expenditure. Additions of £1.0m were recorded in FY22. No detail has been provided for additions to tangible and intangible fixed assets in the period to 30 September 2023.

As at 30 September 2023 the balance sheet shows a significant increase in stock balances (increase of £2.5m) which placed pressure on cash resources (declined by £2.2m from FY22 to 30 September 2023).

Background
Summary financials

WN Vtech Holdings Limited Summary balance sheet

£'000	Statutory Accounts as at 31/12/2022	Statutory Accounts as at 31/12/2021
Intangible assets	30	-
Investments	26,045	20,549
Fixed assets	**26,075**	**20,549**
Debtors	1,080	593
Cash	-	383
Current Assets	**1,080**	**976**
Creditors	(15,632)	(9,062)
Total Liabilities	**(15,632)**	**(9,062)**
Net Assets	**11,524**	**12,463**

Overview of financial information

Holdings is a non-trading entity.

Extracts from the statutory accounts of Holdings for FY22 and FY21 are shown opposite. There are no management accounts available for the nine months ended 30 September 2023.

Please note that this information has not been verified by the Joint Administrators or by Teneo.

Balance sheet commentary

Intangible fixed assets comprise:

- Development expenditure of c.£30k; and
- Investment in subsidiary companies of c.£20.5m. An addition £5m was made to investments in subsidiaries during the 12 months to 31 December 2022. The audited accounts make no reference to the reason for the £5m increase in the period.

Current assets principally comprise of intergroup debtors and cash at bank (FY21 only).

Background

Summary financials

Promech Technologies Ltd Summary profit and loss account

£'000	Statutory Accounts for 12 months to 31/12/2022	Statutory Accounts for 12 months to 31/12/2021
Turnover	1,861	1,006
Cost of Sales	(1,635)	(829)
Gross Profit	**226**	**177**
Gross Margin %	12%	18%
Other Expenses	(797)	(496)
Operating Loss	**(571)**	**(319)**

Promech Technologies Ltd Summary balance sheet

£'000	Statutory Accounts as at 31/12/2022	Statutory Accounts as at 31/12/2021
Tangible assets	158	180
Intangible assets	976	393
Fixed assets	**1,134**	**573**
Stock	766	71
Debtors	1,730	393
Current Assets	**2,497**	**464**
Trade creditors	(2,506)	(953)
Deferred Tax	(61)	(45)
Total Liabilities	**(2,567)**	**(998)**
Net Assets	**1,063**	**40**

Overview of financial information

Extracts from the Promech statutory accounts for FY22 and FY21 are shown opposite. The directors considered that Promech was entitled to exemption from audit under section 479A of the Companies Act 2006.

There are no management accounts available for the nine months ended 30 September 2023.

Please note that this information has not been verified by the Joint Administrators or by Teneo.

Profit and loss

Turnover increased from £1.0m in FY21 to £1.8m in FY22, this is in line with revenue growth of other group companies that Promech served (mainly WN Vtech).

Gross profit margin fell from 17.6% in FY21 to 12.2% in FY22 which directors attributed to post-pandemic supply chain issues.

Operating losses increased from £0.3m in FY21 to £0.6m in FY22, partially due to £0.1m being received in FY22 relating to insurance claims receivable.

Balance sheet commentary

Tangible fixed assets principally comprise:

- Short term leasehold property interest;
- Plant and machinery; and
- Office equipment.

There were no significant tangible fixed asset additions in FY22.

Intangible fixed asset comprise of capitalised development expenditure. Additions totalled £0.9m in FY22.

Debtors increased significantly in FY22, attributable to amounts owed by group companies (increase of £1.3m compared to prior year).

Trade creditors increased significantly in FY22, attributable to amounts due to group companies (increase of £1.3m compared to prior year).

Background

Summary financials

JM Engineering (Scarborough) Ltd Summary balance sheet

£'000	Statutory Accounts as at 31/07/2022	Statutory Accounts as at 31/07/2021
Fixed assets	**420**	**443**
Stocks	70	70
Debtors	1,425	993
Cash	761	835
Current Assets	**2,256**	**1,898**
Creditors	(764)	(669)
Deferred Tax	(80)	(97)
Accruals and deferred income	(32)	(40)
Total Liabilities	**(876)**	**(806)**
Net Assets	**1,800**	**1,535**

Overview of financial information

Extracts from the JME statutory accounts for the 12 months ended 31 July 2022 and the 12 months ended 31 July 2021 are shown opposite. The directors considered that JME was entitled to exemption from audit under section 479A of the Companies Act 2006.

No profit and loss has been prepared for the 12 month periods ended 31 July 2021 and 2022.

There are no management accounts available for the 12 months ended 31 July 2023.

Please note that this information has not been verified by the Joint Administrators or by Teneo.

Balance sheet commentary

Tangible fixed assets principally comprise:

- Short term leasehold property interest;
- Plant and machinery;
- Motor vehicles; and
- Office equipment.

There was no significant tangible fixed asset movements during the 12 months ended 31 July 2022.

Debtors increased significantly in the 12 month period to 31 December 2022, attributable to amounts owed by group companies (increase of £0.5m compared to prior year).

Trade creditors also increased in the 12 months ended 31 July 2022, attributable to amounts due to group companies (increase of £0.1m compared to prior year).

Background

Joint Administrators' appointment

Circumstances giving rise to the appointment of the Joint Administrators

Reasons for failure & financial distress

The Companies began experiencing a decline in trading performance in 2020 principally due to the Covid-19 pandemic which forced extended periods of manufacturing shut down and disrupted the supply chain for essential parts required for production and to fulfil customer orders. Manufacturing was further impacted by the global shortage of semi-conductors for the vehicle industry.

During 2023 a number of suppliers placed the Companies on stop or pro forma payment as creditor pressure mounted and cash resources were stretched. This impacted the Companies' ability to fulfil orders and meet target revenue levels.

The directors further attribute the Companies' financial performance in 2023 to delays in product approval documentation being obtained from the Vehicle Certification Agency and delays in customer sign off on vehicles for dispatch leading to a significant extension in output time scales and subsequent drop in output volumes.

The decline in output put pressure on cash resources.

Accordingly, we understand the directors approached:

- Shareholders and non-executive directors during August to provide an update on the Companies' financial position and understand the potential for further funding support; and
- The Lenders in week commencing 18 September 2023 to discuss a solution to the Companies' financial difficulty.

Steps taken to remedy/turnaround

The directors approached the Lenders in week commencing 18 September 2023 with a request for further funding to meet payroll and critical suppliers.

The Lenders agreed to offer support through a further £2.2m facility on 13 October 2023 provided by NatWest. The facilities were provided as a new ancillary facility to the existing Senior Facilities Agreement dated 25 February 2020 (and amended from time to time), which is subject to an Intercreditor Agreement dated 25 February 2020 (and amended from time to time) to which the Lenders, Rutland and BGF are all party to.

It was agreed as an amendment to the Senior Facilities Agreement and Intercreditor Agreement that the additional £2.2m provided by NatWest would have super-senior priority and therefore rank ahead of the existing senior facilities including in the event of an insolvency or an accelerated enforcement.

Concurrently, the majority shareholder, Rutland and certain members of the management team, agreed to provide additional funding via Trinity Bidco Limited totalling £6.1m phased across late September and early October 2023, which allowed September 2023 critical payments to be made.

In addition, the directors/ Rutland held discussions with existing minority investors regarding further participation in equity funding. Ultimately no further funding was secured from this source.

The additional funding, totalling £8.3m as detailed above, allowed the directors to make payments to suppliers in order to reduce creditor pressure, facilitate deliveries of critical parts and fund other critical payments such as payroll. However, extended lead times and other ongoing delivery and production issues meant that these actions were not sufficient for the Companies to avoid insolvency.

Involvement of Teneo pre-appointment

Following the initial request made by the directors for further funding from the Lenders during week commencing 18 September 2023, the directors with the consent of the Lenders engaged Teneo in the following capacity:

- From late September 2023, Teneo were engaged by Holdings and Global Loan Agency Services Limited as Agent for the Lenders to review the Companies' financial position and provide analysis of their potential options.
- On 31 October 2023, Teneo were engaged by Holdings and GLAS as Agent for the Lenders to provide short term cashflow monitoring and contingency planning advice.

Given the Companies continued to face liquidity pressure, with ongoing supply chain issues and low customer demand the directors decided their best option was to run an Accelerated M&A process ("AMA process") for the Companies and engaged Teneo to run this process alongside the contingency planning workstream in the week commencing 30 October 2023.

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Background

Joint Administrators' appointment

Involvement of Teneo pre-appointment (continued)

Following receipt of first round bids on 11 November 2023 (see next page) it was apparent that a bid for the business on a solvent transaction basis was unlikely to be forthcoming.

However, it was still possible that a going concern sale on an insolvent basis might be possible.

The AMA process

The AMA process timetable was driven by several factors:

- The Companies forecasting a further material funding requirement from week commencing 20 November 2023; and
- The shareholders and Lenders were unwilling to provide further funding based on managements' forecasts.

Preparation phase

Teneo, the Companies and the Lenders agreed a buyer universe with key considerations including:

- Input from Company management;
- Teneo's sector knowledge and experience; and
- Ability to transact in timeframe.

The initial agreed buyer's universe comprised a total of 45 trade and financial parties.

Phase One: Indicative offers

The outreach to the agreed list of parties commenced on 1 November 2023 and, given the cashflow forecast, the deadline for indicative offers was 11 November 2023. A stepped approach was adopted involving:

- An initial high-level call providing background to the situation and an overview of the Companies and the AMA process;
- If parties confirmed potential M&A appetite, then they were asked to sign a non-disclosure agreement ("NDA").

Following receipt of a signed NDA, bidders were provided with the following information (together the "Materials"):

- **Process letter:** flexible approach towards transaction structure (i.e. sale of the Group vs. parts of the Group);
- **Introductory Information Pack:** c.40-page summary document (available 5 November 2023);
- **Divisional short-term cash flow** ("STCF") detailing the funding requirement (available 8 November 2023).
- **Financial databook:** including detailed historical P&L, BS and CF information (available 7 November 2023);
- **Access to VDR** containing selected additional commercial and financial information (available 7 November 2023);

The Materials were designed to provide interested parties with sufficient information to make an informed indicative offer within the allotted time and the process letter offered bidders flexibility as to their preferred transaction perimeter / structure.

Given the highly accelerated timeline, the Materials were provided on a staged basis, being made available to bidders as soon as practicable. However, it is worth noting that some key pieces of information (e.g. funding requirement) were only provided at a late stage (due to information flow challenges).

At the end of Phase One, of the 45 parties approached:

- 7 indicative offers were received (combination of formal letters or informal expressions of interest);
- 5 parties had Management calls and 1 party had a site visit;
- 26 parties signed an NDA and received the Materials;
- 15 parties declined the opportunity (see detail below);
- 12 parties did not respond to Teneo outreach chasers.

Key reasons for parties declining the opportunity included the accelerated timeline, the extent of the turnaround required and the timing of availability of some key information.

The 7 indicative offers received included a range of transaction perimeters (i.e. both Group and divisional interest). Having reviewed and clarified the indicative offers, Teneo presented them to the directors and the Lenders on 12 November 2023. It was agreed to seek to progress all indicative offers to maximise optionality.

During the week commencing 13 November 2023,Teneo focused on seeking to progress all indicative offers into more deliverable options, together with engaging with several inbound parties.

Teneo also engaged with several inbound enquiries during this period. Unfortunately, by the end of that week there were no deliverable offers as four parties had withdrawn their offers and the other interested parties had not sufficiently progressed their interest into deliverable offers.

Background

Joint Administrators' appointment

When the decision to appoint was made

Given the immediate liquidity pressure and the absence of a firm solvent offer for the Companies it was considered that an administration was unavoidable.

The directors held a board meeting on 14 November 2023 at which the financial position of the Companies was discussed and it was agreed that Notices of Intention to appoint administrators ("NOI") would be filed for the Companies.

In the week commencing 13 November 2023 Julian Heathcote and Daniel James Mark Smith of Teneo were asked to take the pending appointment as Joint Administrators by the directors of the Companies.

The directors subsequently filed NOI's on Holdings, JME, Promech, VCS and Treka on 15 November 2023. FCA consent to the appointment was obtained and the NOI filed in respect of WN Vtech on 16 November 2023.

Consent to the appointments was obtained from all qualifying floating charge holders ahead of the Joint Administrators appointment on 20 November 2023.

Post-appointment

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Post-appointment
Purpose

Appointment of the Joint Administrators

Julian Heathcote and Daniel James Mark Smith, of Teneo Financial Advisory Limited ("Teneo") were appointed Joint Administrators of the Companies by the directors of the Companies on 20 November 2023, following the filing of a Notice of Appointment of Joint Administrators by the Companies' directors.

Consent was obtained from all qualifying floating charge holders ahead of the Joint Administrators' appointment.

Purpose of the administrations

The Companies have significant levels of borrowing (secured debt) which would need to be restructured in order to rescue the business as a going concern. However, having regard to the likely value of the underlying business and assets as based on available financial information, there has been no interest from third parties in a debt restructuring.

Accordingly, the purpose of the administrations is to achieve a better result for creditors as a whole than would be obtained through an immediate liquidation of the Companies.

Accordingly, the purpose of the administrations will be to make a distribution to secured creditors.

The purpose of the administrations will be achieved by:

- the sale of the businesses and the realisation of assets for greater value than would have been achieved in an immediate liquidation, thereby improving returns to creditors as a whole.
- transfer under Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") of the remaining employees thus reducing the claims against the estate thereby improving dividend returns to the secured creditors.

Post-appointment
Joint Administrators' strategy

How the affairs and business of the Companies have been managed and financed since appointment, and the Joint Administrators' intended strategy if their Proposals are approved

Actions taken immediately on appointment

Trading

Following our appointment, it was considered to be in the best interest of the creditors to continue to trade all Companies in the very short term whilst seeking a sale of the Companies' businesses and assets.

WN Vtech, Promech, Treka, Holdings and JME

Immediately following our appointment, we worked with management to identify what, if any WIP could be completed to generate income for the administration estates, and secure collection of trade debtors.

Following a review of the WIP the Joint Administrators conclude that trading could continue for a limited period only to preserve value in the businesses while negotiations were continued with interested parties. Details of the sale process and offers are set out on the following pages.

All employees were therefore retained to support trading and preserve the businesses. Trading had no direct financial benefit to the administration estates other than maintaining the value of the businesses whilst a sale was pursued.

The Joint Administrators' have worked closely with the management team to control the trading period and oversee the trading during the post appointment period.

VCS

Immediately following our appointment, extensive discussions were held with VCS's main customers (various NHS Trusts and NHS England) regarding support to complete WIP on site. The customers were unable to provide the level of support required to complete the WIP and accordingly on 27 November 2023 the Joint Administrators took the difficult decision to cease trading at VCS and part of Promech (in so far as its operations related to support VCS production).

This decision was taken in conjunction with the closing of the Phase Two offers on 23 November 2023 (see below) at which point no offers were received that justified continuing to trade VCS, which was projected to continue to incur losses.

On 27 November 2023, 144 employees were made redundant from VCS and a further 15 from Promech where they provided services supporting VCS production. Three employees were retained at VCS to support the administrators with asset realisations and dealing with retention of title claims from suppliers.

Post-appointment
Joint Administrators' strategy

Actions taken immediately on appointment (cont.)

Sale of business ("SOB") process

Executive summary

Teneo's Special Situations M&A team, on behalf the Joint Administrators, ran a highly accelerated SOB process for all divisions of the Group.

As part of the SOB process Teneo spoke with 44 parties including a combination of both re-approached parties (involved in the pre-Admin AMA process) and new inbound interest.

The SOB process commenced on 20 November 2023 and resulted in a successful sale of the business and assets of WN Vtech, Treka, JME and the parts of the business and assets (including the brand) of Promech which were not related to support VCS production to a group of companies owned and supported by Mr Guido Dumarey ("the Purchaser"). As such, the transaction included vehicle brands Coleman-Milne, VCS Police, Mellor Bus, Sigma and Treka Bus as well as supporting engineering businesses Promech and JME.

Phase Two (in Administration): Approach

The immediate priority of the Joint Administrators following their appointment was to secure a sale for most of the Companies.

The Joint Administrators had very limited access to funding, and accordingly the SOB process was highly accelerated. The process commenced on 20 November 2023 (day of appointment) and final indicative offers by COB Thursday 23 November 2023 with a target transaction completion of 30 November 2023.

The Teneo M&A team formulated a tiered list of parties to re-engage with as well as appropriately investigating any inbound interest received. This included the following buyer groups:

- Re-approached parties (including lead parties from the solvent process): 23 parties
- Inbound interest: 16 parties
- Additional parties approach: 5 parties

The approach taken was to provide all parties with an update on the administration appointment and SOB process via a phone call. Parties were also sent an administration process letter (post receipt of a signed NDA) which set out the process timetable and provided bidders with flexibility in terms of transaction perimeter.

Parties that showed interest beyond the initial status update were provided with the following:

- Joint Administrators' NDA (if not already party to an NDA from the solvent process);
- Process letter – detailing process timings and the key areas that any final indicative offer must cover;
- Information memorandum – new / inbound parties only;
- VDR access – access to a restructured VDR, organised by division. The VDR also included updated key balance sheet information (debtor, creditor and stock analysis).

Phase Two (in administration): Level of interest

As at 23 November 2023, six final indicative offers were received across a range of transaction perimeters (two to acquire a combination of divisions and four to acquire individual divisions).

Following receipt of bids, Teneo assisted all interested parties (along with additional late inbound interest) with their due diligence requests and supported them in shaping their final proposals. It soon became clear that there were two lead interested parties whose offers represented the best potential return to creditors of all Companies.

- Offer 1: business and assets of WN Vtech, Treka, JME and Promech (excluding VCS business and assets) ("Offer 1").
- Offer 2: business and assets of Treka ("Offer 2").

Sale of the Companies

During the week commencing 27 November 2023, both Offer 1 and Offer 2 were progressed in tandem with a target completion on 30 November 2023.

A non-refundable deposit was agreed on 30 November 2023 from Offer 1 party of £450k to secure an extended "negotiation period" (not exclusivity). Negotiations with both parties continued until 3 December 2023.

Such evidence from this marketing process supports the conclusion that the acceptance of Offer 1, to the Purchaser (deal completion on 5 November 2023) represented the best price obtainable in the circumstances, taking into account the timescale required and status of the business at the date of our appointment.

Based on the work performed, the Joint Administrators consider that a comprehensive and appropriate marketing exercise targeted at both financial and trade buyers has been conducted within the time available for a transaction to be completed.

Post-appointment
Joint Administrators' strategy

Sale of Business and Assets

WN Vtech, Promech, Treka and JME

Consideration and Terms of Offer 1

A final offer was received on 5 December 2023 from the Purchaser for £6.2m for the business and assets of the following Companies:

- WN Vtech (trading as Coleman Milne, Mellor, Sigma, VCS Police)
- Treka
- Promech (excluding business and assets related to VCS)
- JME

The offer included two freehold properties (Bolton and Rochdale) owned by WN Vtech and the following assets in each entity:

- IP
- P&M
- Stock
- The TUPE transfer of 444 employees being all remaining staff employed by the above entities and all employees of Holdings
- A short-term license to occupy the properties leased by the Companies.

Total consideration offered for these assets is £6.2m (comprising £1.7m for the business and assets and £4.5m for the two freehold properties) across the Companies as shown in the table opposite.

Upon review of the offers made for the assets and on the basis of the professional valuations obtained in the AMA process both prior to and during the administration, the Joint Administrators accepted the offer for the sale of the freehold property and the business and assets ("the Transaction").

The sale of the business and assets was completed on 5 December 2023 to the Purchaser (Castilian 1 Limited, Castilian 2 Limited, Promech Engineering Limited (formerly Castilian 4 Limited) and Mellor Bus Limited (formerly Bolin Consultancy Limited).

On 5 December 2023 contracts were also exchanged for the sale of the Property owned by WN Vtech to Castilian 3 Limited with completion to take place on 31 March 2024.

The sale of the Property is unconditional and a licence to occupy has been given to Castilian 3 Limited (now renamed GML Real Estate Limited) for the period from 5 December 2023 to 31 March 2024.

Consideration

£	WN Vtech	Treka	Promech	JME	Total
Deposit	264,300	185,700	1	-	450,001
On Completion	81,000	205,000	-	26,000	312,000
Deffered Consideration to be paid					
31 March 2024	110,000	279,000	-	35,000	424,000
31 March 2024	4,500,000	-	-	-	4,500,000
30 June 2024	61,000	155,000	-	19,500	235,500
31 December 2024	61,000	155,000	-	19,500	235,500
Total	**5,077,300**	**979,700**	**1**	**100,000**	**6,157,001**

The consideration profile for the business and assets is set out above. £862k has been received across the Companies (non-refundable deposit and consideration paid on completion). The remainder of the consideration for the business and assets is deferred and will be received in four tranches as shown in the table above.

The deferred consideration is supported by:

- Cross guarantees provided by the acquiring companies;
- Parent company guarantee from Dumarey Motors Limited (now renamed Woodall-Nicholson LTD); and
- Personal guarantee provided by Guido Dumarey – owner of Punch Group and high net worth individual.

There are no connections between the Purchaser, current directors, shareholders or the Lenders. The four directors of the Companies transferred to the Purchaser as employees of which three remain involved in the business.

Post-appointment
Joint Administrators' strategy

Other Asset Realisations

Book debts

To date we have recovered the following book debts against the amounts estimated to realise in the directors' statement of affairs:

£'000	SoA Estimate to Realise	Recovered as at 02/01/24
WN Vtech	-	488
Holdings	-	-
Treka	329	5
Promech	31	86
JME	145	68
VCS	-	18
Total	**505**	**665**

In accordance with the terms of the Transaction, the Purchaser will support the Joint Administrators with the collection of the book debts following Completion. The purchaser will receive commission of 30% of the net amount collected with the Purchasers support. The amounts recovered to date and as shown on the previous page are shown before commission has been deducted.

Books debts being paid into the pre appointment bank account are being swept on a regular basis to the administration estates.

Since our appointment we have spent time reviewing the debtors shown on the ledgers and requesting payment of outstanding debts. A number of disputes and warranty claims have been raised as we have sought to collect the balances shown as due to the Companies. We will continue to review the debtors in each entity and assess the likelihood of further recoveries.

Other assets

The directors' statement of affairs include a book value for other assets such as other debtors, intercompany receivables and cash.

There were no positive cash balances in the pre-appointment bank accounts of WN Vtech, Promech, Treka, Holdings or JME at the date of our appointment.

No realisable value is attributed to any other class of asset.

Prior to our appointment the directors entered into correspondence with one of their suppliers regarding faulty products which had resulted in significant cost being incurred by WN Vtech to repair vehicles to which the parts had been fitted. We have entered into discussion with the legal agents previously engaged by WN Vtech to establish the basis of the claim, further costs to be incurred and likelihood of recovery. We will provide an update in our next progress report.

Employees

As noted on page 21, 444 employees remaining at WN Vtech, JME, Promech, Treka and Holdings transferred to the Purchaser on Completion.

Post-appointment
Joint Administrators' strategy

VCS

Negotiation of offers for business and assets

As noted earlier, final offers were invited on 23 November 2023 for all Companies. The Joint Administrators continue to liaise with interested parties for the sale of VCS business and assets.

There are currently a number of interested parties who remain in the process having expressed an interest in the business and assets of VCS.

We expect to be able to select a preferred bidder by the end of the week commencing 08 January 2024, with a view to completing a transaction shortly thereafter.

Should a sale of the business and assets not be achievable, as a whole, the Joint Administrators will review the assets to achieve the most favourable result for creditors.

Other asset realisations

Freehold Property

VCS holds title to a vacant freehold property at 5 Commondale Way, Bradford. Prior to our appointment the property had been marketed for sale and an offer accepted for the market value (£2.4m). The Joint Administrators will continue to progress the sale and we will provide a further update in our first progress report.

Book debts

The directors' statement of affairs attribute a realisable value of nil to book debts in VCS.

To date we have collected c.£18k. We do not anticipate recovery of any further book debts in VCS.

Other asset realisations

The directors' statement of affairs include a book value for other assets which comprise other debtors, intercompany receivables and cash.

There were no positive cash balances in VCS's pre-appointment bank accounts at the date of our appointment.

No realisable value is attributed to any other class of asset.

Employees

As noted on page 19 three employees were retained to support the administrators with asset realisations and dealing with retention of title claims by suppliers.

Holdings

Fixed assets

The directors' statement of affairs includes a book value of £221k for fixed assets which primarily relates to capitalised development, IT costs and one motor vehicle.

The directors' statement of affairs attributes an estimated to realise value of £40k to fixed assets for the motor vehicle used by one of the former directors.

Following independent valuation which took into consideration the age, mileage and condition of the vehicle, the Joint Administrators' have accepted an offer for the sale of the vehicle for £20k in line with market valuation. The funds are being held in a client account by the selling agent and will be transferred to the administration estate in due course.

Other assets

The directors' statement of affairs include a book value for other assets which comprise other debtors, intercompany receivables and cash but no realisable value.

There were no positive cash balances in Holdings' pre-appointment bank account at the date of our appointment.

No realisable value is attributed to any other class of asset.

Receipts and Payment accounts

Receipts and payments accounts, detailing asset realisations achieved and costs paid up to 2 January 2024 and which also show the allocation between fixed and floating charge realisations, are provided at pages 44 to 55.

Post-appointment
Joint Administrators' Proposals

The Joint Administrators' Proposals

Unless otherwise stated, references to preferential creditors include both ordinary preferential creditors and secondary preferential creditors collectively.

Our Proposals for the administrations include:

- continuing to manage the affairs and any remaining assets of the Companies and the settlement of all administration expenses;
- assessing the affairs of the Companies and reviewing and reporting on the conduct of its directors and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the Companies or their management;
- agreement of the claims of any secured, preferential and unsecured creditors against the Companies unless we conclude, in our reasonable opinion, that the Companies will have no assets available for distribution;
- distributing funds to any secured and preferential creditors and, where applicable, to unsecured creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application;
- that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administration; and
- that, if the Companies are to be placed into Creditors' Voluntary Liquidation ("CVL"), we (or any person appointed as a replacement office holder) propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

We will seek specific approval from the secured and preferential creditors to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses, and to agree the time of our discharge on conclusion of the administration.

Please refer to Appendix E for further details.

Post-appointment
Outcome for creditors

Estimated outcome for creditors

Secured creditors

The directors' statement of affairs as at the date of our appointment, and provided at Appendix B, showed that c.£33m was due to GLAS and payable by all Companies.

The directors have excluded intercompany balances from the statement of affairs. As noted on page 6 c.£73m third ranking loan notes were provided to Trinity Midco Limited, to which the Companies are an obligor, secured by fixed and floating charges in the names of BGF and Rutland Partners. The benefit of the loan notes was provided to the Companies via intercompany borrowing.

Fixed and Floating Charges

Glas Trust (as security agent for the Lenders) holds a fixed and floating charge in respect of facilities made available to the Companies by the Lenders totalling £45.57m of which c.£33m is still outstanding. The debenture was granted by the Companies on 31 March 2020.

BGF Nominees Limited holds a fixed and floating charge which was granted by the Companies on 31 March 2020. The charge is in respect of the loan notes provided to Trinity Midco Limited for which the Companies are an obligor.

Rutland Partners Limited holds a fixed and floating charge which was granted by the Companies on 31 March 2020. The charge is in respect of the loan notes provided to Trinity Midco Limited for which the Companies are an obligor.

Ranking of fixed and floating charges

The Lenders (acting through GLAS), Rutland and BGF are party to an Intercreditor Agreement in which the ranking of the debt facilities provided to the Companies is agreed as follows:

First ranking

- £2.2m Super-Senior ranking secured facilities provided by NatWest. As noted on page 6, on 13 October 2023 the Senior Facilities Agreement was amended to incorporate the addition of a new £2.2m ancillary facility provided by NatWest.
- The Lenders collectively as parties to the Senior Facilities Agreement and related Intercreditor Agreement agreed to the super senior position of this new ancilliary facility for £2.2m provided by NatWest which ranks ahead of the residual £31m outstanding facilities provided under the Security Agreement.

Second ranking

- £31m outstanding senior ranking secured facilities under the Senior Facilities Agreement comprising of £2m outstanding under the Revolving Credit Facility and £29m outstanding Term Loans.

Third ranking

- £73m loan notes secured to Rutland and BGF.

Ordinary Preferential creditors

Ordinary preferential claims consist of amounts owed to employees for arrears of wages/salaries, holiday pay, and pension contributions.

On present information we do not anticipate that sufficient funds will become available to enable these claims to be paid in full.

Subrogated claim

The Lenders funded the employee wages for the week commencing 13 November 2023 which were due to be paid in the week commencing 20 November 2023 and all monthly employees up to 17 November 2023. At the date of our appointment all employees had therefore been paid up to 17 November 2023. We understand that the Lenders intend to submit a subrogated claim in respect of the wages advanced to employees which totalled £447k.

Post-appointment
Outcome for creditors

Estimated outcome for creditors (cont.)

Secondary Preferential Debts due to HMRC

Secondary preferential debts are debts due to HMRC in respect of deducted taxes, including VAT, PAYE, student loan repayments, employee NICs and CIS deductions.

We estimate that HMRC will have secondary preferential claims in respect of VAT, PAYE, student loan repayments, employee NICs and CIS deductions as detailed below:

Secondary Preferential Creditor Balances

£'000	Balance
WN Vtech	1,291
Holdings	-
Treka	560
Promech	52
JME	390
VCS	359
Total	**2,652**

On present information we do not anticipate that sufficient funds will become available to enable such claims to be paid in full.

Unsecured creditors

The directors' statement of affairs shows unsecured creditors with estimated non-preferential claims, as detailed below:

Unsecured Creditor Balances

£'000	Number of Creditors	Balance
WN Vtech	681	13,911
Holdings	1	1,500
Treka	154	6,449
Promech	69	2,806
JME	52	303
VCS	279	6,760
Total	**1,236**	**31,730**

The amounts detailed in the table opposite do not capture a number of other unsecured creditor claims which are expected in the administration, including e.g. any unsecured element of the pension deficit, a number of intercompany creditors, amounts due to HMRC in respect of Group VAT. Consequently, we anticipate that the total value of unsecured claims will be higher than the total given opposite once these other liabilities have been quantified and included.

On present information, there is no prospect that a distribution will be made to unsecured creditors.

Prescribed Part

The Prescribed Part is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, (referred to as the net property), as set out under section 176A of the Act. It applies only where the charge was created on or after 15 September 2003.

The Prescribed Part is calculated as a percentage of the net property and, for floating charges created before 6 April 2020 as the case is here, is subject to a statutory maximum of £600,000 per company.

Where the value of the Prescribed Part is so small as to make the costs of distributing it disproportionate, the court may, on our application, disapply it.

Although there will be floating charge asset realisations, it is anticipated that any funds available after costs of the administrations, will be absorbed by the preferential creditors and therefore the Prescribed Part fund will not apply to this case.

Claims process

As there is no prospect of a distribution for unsecured creditors, we do not intend to undertake any work to agree any creditor claims received as this work will be performed only once the dividend prospects are certain.

Post-appointment
Extensions & exit routes

Exit routes

In accordance with the provisions of the Act, all administrations automatically come to an end after one year, unless an extension is granted by the court or with consent of the creditors.

There are several possible exit routes from administration. Based on current information, we consider the following exit routes may be appropriate:

- *Dissolution* – If there is no further property which might permit a distribution to the Companies' creditors, we may file notice to that effect with the Registrar of Companies and the Companies will be dissolved three months later.
- *Compulsory Liquidation ("WUC")* – where there is a possibility, but no certainty, of recoveries being made or matters such as property to disclaim or further enquiry, it may be appropriate to ask the court to end the administration and to make an order to wind up the Companies.
- *Creditors' Voluntary Liquidation ("CVL")* - Where a distribution to unsecured creditors will be made, other than by virtue of the Prescribed Part, we may file a notice to that effect with the Registrar of Companies. The administration will cease on the date that notice is registered and the Companies will be wound up.

Please note that if any of the Companies are placed into CVL, the Joint Administrators (or any person appointed as a replacement office holder) propose to be appointed as Joint Liquidators. The creditors may nominate a different person to be liquidator(s) provided the nomination is made before the Proposals are deemed approved i.e. by 29 January 2024.

Any creditors' committee appointed in the administration will become a liquidation committee and the basis of the Joint Administrators' remuneration fixed during the administration will apply in the liquidation.

For the purposes of section 231 of the Act the liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

Discharge of Joint Administrators' liability

Pursuant to paragraph 98 of Schedule B1 of the Act, the Joint Administrators' discharge of liability in respect of their actions as administrators takes effect at the specific time appointed by either the court, the creditors (either via the creditors' committee or by a decision of the creditors) or, in specific circumstances, by the secured (and preferential) creditors.

In this case, we will request approval from the approving bodies for us to be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress reports.

Remuneration and expenses

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Remuneration and expenses

Creditors' Guide to Administrators' Remuneration

"A Creditors' Guide to Administrators' Remuneration" is appended to SIP 9 and is provided on the administration website and also available for download www.ips-docs.com.

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on page 4 and this will be provided to you at no cost.

Basis of Administrators' remuneration

Pursuant to Rule 18.16 of the Insolvency Rules 2016 ("the Rules"), the basis of the Joint Administrators' remuneration may be fixed:

- as a percentage of the value of the property with which the Joint Administrators have to deal;
- by reference to time properly given by the insolvency practitioners and their staff in attending to matters arising in the administration;
- as a set amount;
- or any combination of the above.

There will be no funds available to the unsecured creditors. Therefore, in accordance with Rule 18.18(4) of the Rules and in the absence of a creditors' committee, we will seek to fix the basis of our fee by reference to our time costs incurred in attending to matters arising in the administration with the consent of each secured creditor and a decision of the preferential creditors in a decision procedure.

Fees Estimate

Fees Estimates are provided at Appendix D in which we have tried to provide you with as accurate an estimate as we can of our likely time costs for the duration of the appointment. We have based this estimate on experience in other similar matters and the cost of work done to date and estimate that our time costs will be as detailed below:

Fee Estimates

£'000	Fee Estimate
WN Vtech	923
Holdings	-
Treka	1,029
Promech	151
JME	200
VCS	554
Total	**2,857**

Remuneration and expenses

Creditors' Guide to Administrators' Remuneration and Expenses

Joint Administrators' Expenses

Expenses are payments from the estate which are neither remuneration payable to us as officeholders nor a distribution to a creditor or a member. Expenses includes disbursements; disbursements are payments first made by us out of our own funds and later reimbursed to us (to the extent possible) out of estate funds.

Expenses are divided into those that do not need approval before they are charged to (and recovered from) the estate ("Category 1") and those that do ("Category 2") and as described below:

- Category 1 Expenses - are payments to persons providing the service to which the expense relates and who are not an associate of the officeholder. These expenses can be paid out of the estate by us without creditor approval.
- Category 2 Expenses - are payments to us (as officeholder) or our associates or payments which have an element of shared costs. These expenses require creditor approval in the same manner as our remuneration.

Joint Administrators' Category 1 Expenses

Third party expenses - other professional costs

Prior to instructing providers of specialist advice and or services, we have evaluated whether the work/advice is both warranted and also that the cost of same represents best value for the estate. We review all such arrangements periodically to ensure that best value continues to be obtained. Further details are provided below:

Specialist Advice & Services - Lawyers / Legal Services and Agents' costs

Name of party	Service provided	Fee basis	Entities Instructed	Estimate per Proposals (£)	Incurred to date (£)
Pinsent Mason LLP ("Pinsents")	Were instructed to complete a review of Validity of our appointment, assisting in filing and completed all appointment notifications, provided advice in relation to the sale of business and drafted and executed all documents in relation to the sale and any Ad-hoc legal queries raised during the administrations.	Time costs	All Companies	437,000	252,757
SIA Group Asset Ingenuity Ltd	Were instructed to provide valuations of certain assets owned by the Companies'.	Time costs	All Companies	25,000	25,000
Ward Hadaway LLP ("Ward Hadaway")	Were instructed by VCS to assist with the sale of the property at 5 Commondale Way. Ward Hadaway had already progressed the sale process prior to the Joint Administrators appointment and have been retained to conclude the sale	Time costs	VCS	7,000	-
Dove Haigh Phillips LLP	Property Agents acting in sale of 5 Commondale Way property	Time costs	VCS	24,000	-

*These costs can be agreed and paid as an expense of the administrations under Rule 3.51 and do not require creditor approval.

Whilst we are not required to seek creditor approval for any of the foregoing expenses, we confirm that all professional costs are reviewed by us and analysed in detail before payment is approved or made.

Remuneration and expenses

Creditors' Guide to Administrators' Remuneration and Expenses

Joint Administrators' Category 1 Expenses (continued)

Category 1 expenses (disbursements)

Category 1 disbursements are payments to third parties which are initially met by us and then reimbursed to us out of the estate when funds become available, and for which no approval is required.

Details of the category 1 disbursements which we estimate to incur during the period of the administration, and those incurred in the period to date, are summarised in the tables below:

WN Vtech Category 1 Expenses (disbursements)

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Travel	1,000	483	-	483
Accommodation	1,000	-	-	-
Subsistence	250	224	-	224
Specific Penalty Bond	220	220	-	220
Total expenses	**2,470**	**927**	**-**	**927**

Holdings Category 1 Expenses (disbursements)

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Travel	1,000	662	-	662
Accommodation	1,500	1,012	-	1,012
Subsistence	250	-	-	-
Specific Penalty Bond	220	220	-	220
Total expenses	**2,970**	**1,894**	**-**	**1,894**

JME Category 1 Expenses (disbursements)

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Travel	500	-	-	-
Accommodation	500	180	-	180
Subsistence	250	-	-	-
Specific Penalty Bond	220	220	-	220
Total expenses	**1,470**	**400**	**-**	**400**

Treka Category 1 Expenses (disbursements)

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Travel	500	41	-	41
Accommodation	500	-	-	-
Subsistence	250	-	-	-
Specific Penalty Bond	220	220	-	220
Total expenses	**1,470**	**261**	**-**	**261**

Promech Category 1 Expenses (disbursements)

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Travel	500	-	-	-
Accommodation	500	-	-	-
Subsistence	250	-	-	-
Specific Penalty Bond	220	220	-	220
Total expenses	**1,470**	**220**	**-**	**220**

VCS Category 1 Expenses (disbursements)

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Travel	500	15	-	15
Accommodation	500	72	-	72
Subsistence	250	116	-	116
Specific Penalty Bond	220	220	-	220
Total expenses	**1,470**	**423**	**-**	**423**

Remuneration and expenses

Creditors' Guide to Administrators' Remuneration and Expenses

Joint Administrators' Category 2 Expenses

These are payments to us (as officeholder) or our associates or payments which have an element of shared or allocated costs. Specific approval is required before these expenses can be drawn from the administration estate. Our estimate of Category 2 expenses is given below.

Mileage is calculated by reference to the mileage properly incurred by the Joint Administrators and their staff at the prevailing standard mileage rate at the time when the mileage is incurred (currently up to 45p per mile).

WN Vtech Category 2 Expenses

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Mileage	1,000	862	-	862
Total expenses	**1,000**	**862**	**-**	**862**

Holdings Category 2 Expenses

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Mileage	500	-	-	-
Total expenses	**500**	**-**	**-**	**-**

JME Category 2 Expenses

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Mileage	1,000	517	-	517
Total expenses	**1,000**	**517**	**-**	**517**

Treka Category 2 Expenses

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Mileage	1,000	475	-	475
Total expenses	**1,000**	**475**	**-**	**475**

Promech Category 2 Expenses

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Mileage	500	-	-	-
Total expenses	**500**	**-**	**-**	**-**

VCS Category 2 Expenses

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Mileage	1,000	879	-	879
Total expenses	**1,000**	**879**	**-**	**879**

Remuneration and expenses

Pre-administration costs

Statement of pre-administration costs

In the following paragraphs we have provided an explanation of the work carried out by Pinsent Masons LLP and by SIA Group Asset Ingenuity Ltd in the period prior to the administration and which was carried out with the intention of helping to achieve the objective of the administration, a better result for creditors as a whole than would be obtained through an immediate liquidation of the Companies:

During planning for the administration, we were assisted by Pinsent Mason LLP on matters including:

- Review of initial Notice of Intention ("NOI") and advice in relation to the same;
- Preparing and circulating appointment documents;
- Filing appointment documents at Court and dealing with service of the same;
- Providing legal advice during the contingency planning phase and the ongoing funding requirements;
- Completing a Security review on behalf of the Joint Administrators; and
- Correspondence and various calls and discussions with Teneo, the directors and the secured creditors.

In respect of this work, they incurred £26,753 of time costs, all of which remains unpaid. This time will be split between the Companies (being £4,459 per company).

SIA Group Asset Ingenuity Ltd were engaged to provide security for the Companies various sites to ensure assets were safeguarded following the filing of the NOI by the directors. In respect of this work, they incurred £9,764 of time costs, all of which remains unpaid and will be met by WN Vtech.

Approval of unpaid pre-administration costs

As set out above, we have unpaid pre administration costs and expenses of £36,517. The payment of these unpaid costs as an expense of the administrations is subject to approval under Rule 3.52. In this regard we will invite the secured and preferential creditors to decide whether and to what extent the unpaid pre-administration costs should be approved for payment.

Additional information

Case specific matters and investigations 35

Additional information

Case specific matters and investigations

The Insolvency (Amendment) (EU Exit) Regulations 2019 (the "Regulations")

As stated in the administration appointment documents, these are COMI proceedings (i.e. the centre of main interests is in the UK).

Third party assets

Should you believe that you own or have a claim regarding items that may have been present at the Companies premises at the date of our appointment please contact us as soon as possible.

Shareholders

We are not obliged to provide further information or reports to shareholders of the Companies. However regular updates will be uploaded to the website set up for the administrations at www,ips-docs.com.

Due to the insolvency of the Companies and anticipated level of asset realisations compared with the level of creditor liabilities owed by the Companies, there is no prospect of a return being made to the shareholders.

Following our appointment, the Companies are no longer able to process transfers of shares, nor re-issue unclaimed dividend cheques.

Investigations

As part of our duties, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment includes enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

In addition, we are required to consider the conduct of the directors and any person we consider to have acted as a shadow or de facto director in relation to their management of the affairs of the Companies and the causes of failure and we will submit a confidential report to the Insolvency Service, a division of the Department for Business, Energy and Industrial Strategy. Creditors who wish to draw any matters to our attention should contact us using the contact details given on page 4 as soon as possible.

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Appendices

Appendix A

Statutory Information

	WN Vtech	WN Vtech	Treka	VCS	Promech	JME
Company number	04747125	08381707	04063157	7214183	9691800	06429273
Registered office	The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT					
Court	High Court of Justice, Business and Property Courts of England and Wales,					
Court reference	CR-2023-006447	CR-2023-006372	CR-2023-006369	CR-2023-006367	CR-2023-006368	CR-2023-006370
Company directors	Jonathan Hill John Randerson	Jonathan Hill John Randerson Gustavo Marqueta-Silbert	Jonathan Hill John Randerson	Jonathan Hill John Randerson	Jonathan Hill John Randerson Mark Eccles	Jonathan Hill John Randerson Mark Eccles

Website

In order to facilitate communication, all statutory reports, documents and notices will be posted on to a website which has been set up specifically for each Company. The web address is www.ips-docs.com.

All documents will be retained on each website which will remain live until two months after the conclusion of the proceedings. Please contact Alia Khan using any of the contact details given below if you would like to be provided, free of charge, with a hard copy of documents posted, either now or in the future, to each website:

Phone - +44 113 396 0164

email - alia.khan@teneo.com

postal address – Teneo Financial Advisory Limited, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, B4 6AT

Please note that, other than notice of an intended dividend, no further notice will be given to you when documents are uploaded to the website. It is thus important that you review the website regularly to check for updates, such as notices of decision procedures or our six-monthly reports on progress.

Appendices

Appendix B

Statement of Affairs

Joint Administrators' comments

As noted on page 25 the Lenders hold fixed and floating charges over the asset of the Companies, with an amount due of c.£33m. The directors have not reflected in the statement of affairs that fixed charge realisations will be utilised against the amount due to the Lenders (in accordance with their fixed charge) and the realisations from fixed charge assets will not be available under the floating charge.

The Directors' statement of affairs is available on the case website at www.ips-docs.com, and which includes a schedule of the names and addresses of all known creditors. We are legally required to provide names/address/and amounts of all creditors ("Creditor Details"), (including those of employees and consumer creditors), to enable creditors to communicate with one another in order to exercise their rights as creditors. The website is password protected and can only be accessed by other creditors each using their unique access code. Please note that we are required by law to exclude Creditor Details relating to employees and consumer creditors from any documents required to be filed at Companies House or otherwise put in the public domain. Any person who seeks to make such information publicly available will be committing an offence under the General Data Protection Regulations (GDPR).

In accordance with the standard format of the statement of affairs, no provision has been made for the costs of the administration (including agents', legal and other professionals' fees).

Appendices

Appendix B

WN Vtech

Statement of Affairs

The statement of affairs as summarised on this page was prepared and provided by Jonathan Hill and statements of concurrence provided by John Randerson.

Directors' summary Statement of Affairs WN Vtech

£	Book value	Estimated to realise
Assets subject to fixed charge		
Freehold property	2,613,555	4,500,000
Less: Amounts due to fixed charge holders	-	-
Estimated surplus/(deficiency) to fixed charge holders	2,613,555	4,500,000
Assets subject to floating charge		
Fixed Assets	6,253,771	-
Stock & WIP	13,799,912	577,300
Trade Debtors	3,957,174	-
Intercompany receivables	5,674,906	-
Estimated total assets available for preferential creditors	32,299,318	5,077,300
Preferential creditors		(101,032)
Estimated deficiency / surplus to preferential creditors		4,976,268
Secondary Preferential creditors		(1,291,143)
Estimated deficiency / surplus to secondary preferential creditors		3,685,125
Estimated prescribed part of net property		(600,000)
Estimated total assets available for floating charge holders		3,085,125
Debt secured by floating charges		(32,772,339)
Estimated deficiency / surplus after floating charges		(29,687,214)
Estimated prescribed part of net property (brought down)		(600,000)
Total assets available to unsecured creditors		600,000
Unsecured non-preferential claims		(13,910,841)
Estimated deficiency/surplus as regards non-preferential creditors		(13,310,841)
Shortfall to floating charge holders (brought down)		(29,687,214)
Estimated deficiency / surplus to creditors		(42,998,055)
Called up share capital		3,105,000
Estimate deficiency / surplus to members		**(46,103,055)**

Appendices

Appendix B

Holdings

Statement of Affairs

The statement of affairs as summarised on this page was prepared and provided by Jonathan Hill and statements of concurrence provided by Gustavo Marqueta Siibert.

Directors' summary Statement of Affairs Holdings

£	Book value	Estimated to realise
Assets subject to fixed charge		
Less: Amounts due to fixed charge holders	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Fixed Assets	221,000	40,000
Other Debtors	547,000	-
Cash	766,000	-
Estimated total assets available for preferential creditors	1,534,000	40,000
Preferential creditors		(18,449)
Estimated deficiency / surplus to preferential creditors		21,551
Secondary Preferential creditors		-
Estimated deficiency / surplus to secondary preferential creditors		21,551
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		21,551
Debt secured by floating charges		(32,772,339)
Estimated deficiency / surplus after floating charges		(32,750,788)
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		-
Unsecured non-preferential claims		(1,500,000)
Estimated deficiency/surplus as regards non-preferential creditors		(1,500,000)
Shortfall to floating charge holders (brought down)		(32,750,788)
Estimated deficiency / surplus to creditors		(34,250,788)
Called up share capital		1,020,000
Estimate deficiency / surplus to members		**(35,270,788)**

Appendices

Appendix B

Treka

Statement of Affairs

The statement of affairs as summarised on this page was prepared and provided by Jonathan Hill and statements of concurrence provided by John Randerson.

Directors' summary Statement of Affairs Treka

£	Book value	Estimated to realise
Assets subject to fixed charge		
Less: Amounts due to fixed charge holders	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Stock and WIP	3,027,796	979,100
Trade Debtors	69,856	329,928
Cash in bank	3,978,621	-
Intercompany	4,793,749	-
Fixed Assets	257,977	-
Estimated total assets available for preferential creditors	12,127,999	1,309,028
Preferential creditors		(22,940)
Estimated deficiency / surplus to preferential creditors		1,286,088
Secondary Preferential creditors		(559,550)
Estimated deficiency / surplus to secondary preferential creditors		726,538
Estimated prescribed part of net property		(148,308)
Estimated total assets available for floating charge holders		578,230
Debt secured by floating charges		(32,772,339)
Estimated deficiency / surplus after floating charges		(32,194,109)
Estimated prescribed part of net property (brought down)		148,308
Total assets available to unsecured creditors		148,308
Unsecured non-preferential claims		(6,449,309)
Estimated deficiency / surplus to creditors		(6,301,001)
Shortfall to floating charge holders (brought down)		(32,194,109)
Estimated deficiency/surplus as regards creditors		(38,495,110)
Issue and called up capital		41,492
Estimate deficiency / surplus to members		**(38,536,602)**

Appendices

Appendix B

Promech

Statement of Affairs

The statement of affairs as summarised on this page was prepared and provided by Jonathan Hill and statements of concurrence provided by John Randerson.

Directors' summary Statement of Affairs Promech

£	Book value	Estimated to realise
Assets subject to fixed charge		
Less: Amounts due to fixed charge holders	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Fixed and Intangible assets	1,117,743	-
Stock and WIP	908,143	100,000
Trade Debtors	2,141,853	31,500
Intercompany receivables	176,129	-
Estimated total assets available for preferential creditors	4,343,868	131,500
Preferential creditors		(14,295)
Estimated deficiency / surplus to preferential creditors		117,205
Secondary Preferential creditors		(52,070)
Estimated deficiency / surplus to secondary preferential creditors		65,135
Estimated prescribed part of net property		(16,027)
Estimated total assets available for floating charge holders		49,108
Debt secured by floating charges		(32,772,339)
Estimated deficiency / surplus after floating charges		(32,723,231)
Estimated prescribed part of net property (brought down)		16,027
Total assets available to unsecured creditors		16,027
Unsecured non-preferential claims		(2,806,332)
Estimated deficiency/surplus as regards non-preferential creditors		(2,790,305)
Shortfall to floating charge holders (brought down)		(32,723,231)
Estimated deficiency/surplus as regards creditors		(35,513,536)
Issued and called up capital		1,500,100
Estimate deficiency / surplus to members		**(37,013,636)**

Appendices

Appendix B

JME

Statement of Affairs

The statement of affairs as summarised on this page was prepared and provided by Jonathan Hill and statements of concurrence provided by John Randerson.

Directors' summary Statement of Affairs JME

£	Book value	Estimated to realise
Assets subject to fixed charge		
Less: Amounts due to fixed charge holders	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Fixed & Intangible Assets	350,548	-
Stock & WIP	70,000	-
Trade Debtors	2,299,709	145,088
Cash	55,484	-
Estimated total assets available for preferential creditors	2,775,741	145,088
Preferential creditors		(8,480)
Estimated deficiency / surplus to preferential creditors		136,608
Secondary Preferential creditors		(389,683)
Estimated deficiency / surplus to secondary preferential creditors		(253,075)
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		(253,075)
Debt secured by floating charges		(32,772,339)
Estimated deficiency / surplus after floating charges		(33,025,414)
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		-
Unsecured non-preferential claims		(303,376)
Estimated deficiency / surplus to creditors		(33,328,790)
Called up share capital		100
Estimate deficiency / surplus to members		**(33,328,890)**

Appendices

Appendix B

VCS

Statement of Affairs

The statement of affairs as summarised on this page was prepared and provided by Jonathan Hill and statements of concurrence provided by John Randerson.

Directors' summary Statement of Affairs - VCS

£	Book value	Estimated to realise
Assets subject to fixed charge		
Freehold property	1,107,849	2,400,000
Less: Amounts due to fixed charge holders	-	-
Estimated surplus/(deficiency) to fixed charge holders	1,107,849	2,400,000
Assets subject to floating charge		
Leased Property	771,108	-
Other Fixed Assets	261,353	-
Intangible Assets	1,620,149	-
Stock and WIP	5,145,911	514,591
Trade Debtors	833,235	-
Estimated total assets available for preferential creditors	9,739,605	2,914,591
Preferential creditors		(37,905)
Estimated deficiency / surplus to preferential creditors		2,876,686
Secondary Preferential creditors		(358,705)
Estimated deficiency / surplus to secondary preferential creditors		2,517,981
Estimated prescribed part of net property		(506,596)
Estimated total assets available for floating charge holders		2,011,385
Debt secured by floating charges		(32,772,339)
Estimated deficiency / surplus after floating charges		(30,760,954)
Estimated prescribed part of net property (brought down)		506,596
Total assets available to unsecured creditors		506,596
Unsecured non-preferential claims		(6,759,880)
Estimated deficiency / surplus to creditors		(37,014,238)
Called up share capital		1,000,294
Estimate deficiency / surplus to members		**(38,014,532)**

Appendices

Appendix C

WN Vtech

WN Vtech Limited
Joint Administrators' receipts and payments account
20 November 2023 to 2 January 2024

£	SoA values	Notes	To date
Fixed charge receipts			
Property	*4,500,000*		-
	4,500,000		0
Floating charge receipts			
Trading surplus/(deficit)	-	A	(217,947)
Stock & WIP	*577,300*		-
Plant & Machinery	-	B	345,271
Bank interest	-	E	2,513
Book debts	-	C	445,160
Total floating charge receipts	*577,300*		**574,997**
Floating charge payments			
Bank charges			49
Amount due to purchaser as commission			31,642
Total floating charge payments			**31,691**
Purchaser funding			
Funding		D	568,640
			568,640
Purchaser payments			
Payroll		D	470,210
Expenses		D	30,528
Balance of purchaser funding			**67,902**
Balance in hand			**611,207**
Made up of:			
Trade debtros			8,350
VAT receivable		F	8,604
Floating charge deposit a/c		E	649,974
Trade creditors		G	(34,402)
VAT payable		F	(21,319)
Balance in hand			**611,207**

Notes to the receipts and payments account

A receipts and payments account together with a separate trading account is provided opposite and on the next pages, detailing the transactions since our appointment on 20 November 2023.

Notes to receipts and payments account

A - Trading deficit

See trading account on page 46.

B - Plant & Machinery

On 3 December 2023 c.£264k was received as a non-refundable deposit, to be set against consideration for plant and machinery, paid by the Purchaser. The directors have allocated this consideration to stock & WIP in the statement of affairs ("SoA"). A further £81k was received as consideration for plant and machinery on Completion. Refer to pages 21 to 23 for details of the Transaction.

C - Book debts

Book debts of £445k have been recovered since the Joint Administrators' appointment. The purchaser is supporting the Joint Administrators with the collection of books debts following Completion in return for a 30% commission on the net amount collected. Claims for warranty and set-off have been raised in respect of the remaining debtors. We continue to pursue recovery of these debts with the purchaser. We are unable at this time to provide an estimate of further debtor collections and will provide an update in our next progress report.

The directors have attributed a nil realisable value against book debts in the statement of affairs.

D - Purchaser funding and payments

On completion the Purchaser paid c.£6k in respect of property insurance payments on the freehold property at Bolton and Rochdale owned by WN Vtech for which a license to occupy has been given to the Purchaser for the period to 31 March 2024.

In addition, the Joint Administrators facilitated the payroll of the 306 employees transferred to the Purchaser for the month of December 2023. The Purchaser provided funds of £562k to WN Vtech to meet the payroll costs.

Of the £568k received, £501k has been paid out to employees and suppliers in the reporting period. A reconciliation will be performed ahead of our first progress report to finalise amounts to be funded by the Purchaser.

Appendices

Appendix C

WN Vtech

WN Vtech Limited
Joint Administrators' receipts and payments account
20 November 2023 to 2 January 2024

£	SoA values	Notes	To date
Fixed charge receipts			
Property	*4,500,000*		-
	4,500,000		0
Floating charge receipts			
Trading surplus/(deficit)	-	A	(217,947)
Stock & WIP	*577,300*		-
Plant & Machinery	-	B	345,271
Bank interest	-	E	2,513
Book debts	-	C	445,160
Total floating charge receipts	*577,300*		**574,997**
Floating charge payments			
Bank charges			49
Amount due to purchaser as commission			31,642
Total floating charge payments			**31,691**
Purchaser funding			
Funding		D	568,640
			568,640
Purchaser payments			
Payroll		D	470,210
Expenses		D	30,528
Balance of purchaser funding			**67,902**
Balance in hand			**611,207**
Made up of:			
Trade debtros			8,350
VAT receivable		F	8,604
Floating charge deposit a/c		E	649,974
Trade creditors		G	(34,402)
VAT payable		F	(21,319)
Balance in hand			**611,207**

Notes to the receipts and payments account (continued)

E - Bank interest

Funds are held in an interest-bearing account. The associated corporation tax on interest received will be accounted for to HMRC.

F - VAT

All sums shown opposite are shown net of VAT, which is recoverable and will be accounted for to HM Revenue & Customs in due course.

G – Trade creditors

Invoices received are logged, recorded and posted to the cash book on an accruals basis, the balance noted represents invoices received and posted to the cash book but not yet paid from the bank accounts.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Appendices

Appendix C

WN Vtech Trading Account

WN Vtech Limited
Joint Administrators' trading account
20 November 2023 to 2 January 2024

£	Notes	To Date
Receipts		
Sales	1	101,389
Total receipts		**101,389**
Payments		
Wages and Salaries	2	208,392
Expenses	3	25,944
Intercompany recharge	4	85,000
Total payments		**319,336**
Trading surplus/(deficit)		**(217,947)**

Notes to the trading account

A trading account detailing the transactions in the period 20 November 2023 (the date of the Joint Administrators' appointment) to 2 January 2024 is provided opposite and has been prepared on an accruals basis.

Immediately following our appointment we concluded it would be in the best interest of the creditors to continue to trade WN Vtech whilst continuing to seek a sale of the business and assets.. This was for a limited period with no financial benefit to the administration other than to maintain the value of the business whilst a sale was pursued.

1. Customer sales receipts

Customer sales receipts represent invoices raised to customers during the period 20 November 2023 to Completion. These are reflected on an accruals basis and recorded as traded debtors where the income has not yet been received.

2. Wages and Salaries

As noted on page 19 all 311 employee were retained immediately following our appointment. Wages and salaries represents amounts paid to employees in the period 20 November 2023 to Completion. All remaining employees transferred to the Purchaser on Completion.

3. Trading expenses

Trading expenses represent amounts incurred in the period 20 November 2023 to Completion and relate to utilities, employee expenses, site security and IT services.

4. Intercompany recharge

Holdings and Promech provide services to the rest of the Group, for which their trading expenses have been recharged to the rest of the Companies.

Appendices

Appendix C

Holdings

WN Vtech Holdings Limited
Joint Administrators' receipts and payments account
20 November 2023 to 2 January 2023

£	SoA values	Notes	To date
Floating charge receipts			
Motor Vehicles	*40,000*		-
Intercompany recharge	-	*A*	10,000
Total floating charge receipts	*40,000*		**10,000**
Floating charge payments			
Wages and Salaries		B	4,950
Total floating charge payments			**4,950**
Purchaser funding			
Funding		*C*	87,518
			87,518
Purchaser payments			
Payroll		C	65,894
Balance of purchaser funding			**65,894**
Balance in hand			**26,674**
Made up of:			
Floating charge deposit a/c		D	30,999
VAT payable		E	(4,325)
Balance in hand			**26,674**

Notes to the receipts and payments account

A receipts and payments account is provided opposite, detailing the transactions since our appointment on 20 November 2023.

Notes to receipts and payments account

A - Intercompany recharge

Holdings provides services to the rest of the Group, for which their trading expenses have been recharged to the rest of the Group (mainly WN Vtech).

B - Wages and Salaries

As noted on page 19 all 14 employee were retained immediately following our appointment. Wages and salaries represents amounts paid to employees in the period 20 November 2023 to Completion. All remaining employees transferred to the Purchaser on Completion.

C - Purchaser funding and expenses

On completion the Purchaser paid c.£21k in respect of two months estimated rent and related charges for leasehold properties at Brighouse and Scarborough for which a license to occupy have been given to the Purchaser for the period to 31 March 2024.

In addition, the Joint Administrators facilitated the payroll of the 14 employees transferred to the Purchaser for the month of December 2023. The Purchaser provided funds of £66k to Holdings to meet the payroll costs.

Of the £87k received £66k has been paid out to employees. A reconciliation will be performed ahead of 31 March 2024 to finalise amounts to be funded by the Purchaser.

D - Bank interest

Funds are held in an interest-bearing account. The associated corporation tax on interest received will be accounted for to HMRC.

E - VAT

All sums shown opposite are shown net of VAT, which is recoverable and will be accounted for to HM Revenue & Customs in due course.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Appendices

Appendix C

Treka

Treka Bus Limited
Joint Administrators' receipts and payments account
20 November 2023 to 2 January 2024

£	SoA values	Notes	To date
			-
Floating charge receipts			
Trading surplus/(deficit)		A	(71,208)
Plant & Machinery	-	B	390,729
Bank interest	-	E	372
Book debts	*329,928*	C	4,885
Stock & WIP	*979,100*	B	-
Total floating charge receipts	*1,309,028*		**324,778**
Floating charge payments			
Amount due to purchaser as commission			561
Total floating charge payments			**561**
Purchaser funding			
Funding		D	155,086
			155,086
Purchaser payments			
Payroll		D	119,394
Balance of purchaser funding			**35,692**
Balance in hand			**359,909**
Made up of:			
VAT receivable		F	164
Floating charge deposit a/c		E	361,606
Trade creditors		G	(561)
VAT payable		F	(1,300)
Balance in hand			**359,909**

Notes to the receipts and payments account

A receipts and payments account together with a separate trading account is provided opposite and on the next page detailing the transactions since our appointment on 20 November 2023.

Notes to receipts and payments account

A - Trading deficit

See trading account on the following page.

B - Plant & Machinery

A non-refundable deposit of £186k was paid by the Purchaser as noted on page 21, which has been attributed to consideration for plant and machinery. The directors have allocated this consideration to stock & WIP in the SoA. A further £205k was received on completion.

C - Book debts

Book debts of £5k have been recovered since the Joint Administrators' appointment. The purchaser is supporting the Joint Administrators with the collection of books debts following Completion in return for a 30% commission on the net amount collected.

Claims for warranty and set-off have been raised in respect of the remaining debtors. We continue to pursue recovery of these debts with the purchaser. We are unable at this time to provide an estimate of further debtor collections and will provide an update in our next progress report.

D - Purchaser funding and payments

On completion the Purchaser paid c.£6k in respect of two months estimated rent and related charges for leasehold property at Wakefield for which a license to occupy have been given to the Purchaser for the period to 31 March 2024.

In addition, the Joint Administrators facilitated the payroll of the 89 employees transferred to the Purchaser for the month of December 2023. The Purchaser provided funds of £148k to Treka to meet the payroll costs.

Of the £155k received £119k has been paid out to employees and suppliers. A reconciliation will be performed ahead of 31 March 2024 to finalise amounts to be funded by the Purchaser.

Appendices

Appendix C

Treka
Trading account

Treka Bus Limited
Joint Administrators' receipts and payments account
20 November 2023 to 2 January 2024

£	SoA values	Notes	To date
			-
Floating charge receipts			
Trading surplus/(deficit)		A	(71,208)
Plant & Machinery	-	B	390,729
Bank interest	-	E	372
Book debts	*329,928*	C	4,885
Stock & WIP	*979,100*	B	-
Total floating charge receipts	*1,309,028*		**324,778**
Floating charge payments			
Amount due to purchaser as commission			561
Total floating charge payments			**561**
Purchaser funding			
Funding		D	155,086
			155,086
Purchaser payments			
Payroll		D	119,394
Balance of purchaser funding			**35,692**
Balance in hand			**359,909**
Made up of:			
VAT receivable		F	164
Floating charge deposit a/c		E	361,606
Trade creditors		G	(561)
VAT payable		F	(1,300)
Balance in hand			**359,909**

Treka Bus Limited
Joint Administrators' trading account
20 November 2023 to 2 January 2024

£	Notes	To Date
Payments		-
Wages and Salaries	1	70,309
Expenses	2	899
Total payments		**71,208**
Trading surplus/(deficit)		**(71,208)**

Notes to the receipts and payments account (continued)

E - Bank interest

Funds are held in an interest-bearing account. The associated corporation tax on interest received will be accounted for to HMRC.

F - VAT

All sums shown opposite are shown net of VAT, which is recoverable and will be accounted for to HM Revenue & Customs in due course.

G – Trade creditors

Invoices received are logged, recorded and posted to the cash book on an accruals basis, the balance noted represents invoices received and posted to the cash book but not yet paid from the bank accounts.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Notes to the trading account

A trading account detailing the transactions in the period 20 November 2023 (the date of the Joint Administrators' appointment) to 2 January 2024 is provided opposite and has been prepared on an accruals basis.

Immediately following our appointment we concluded it would be in the best interest of the creditors to continue to trade Treka whilst continuing to seek a sale of the business and assets. This was for a limited period with no financial benefit to the administration other than to maintain the value of the business whilst as sale was pursued.

1. Wages and Salaries

Wages and salaries paid to employees of Treka the period 20 November 2023 to Completion.

2. Trading expenses

Trading expenses relate to payments made to suppliers for in the period 20 November 2023 to Completion.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Appendices

Appendix C

Promech

Promech Technologies Limited
Joint Administrators' receipts and payments account
20 November 2023 to 2 January 2024

£	SoA values	Notes	To date
Floating charge receipts			
Trading surplus/(deficit)	-	A	46,701
Plant & Machinery	-	B	1
Bank Interest	-	E	99
Book debts	*31,500*	C	85,738
Stock & WIP	*100,000*		-
Total floating charge receipts	*131,500*		**132,539**
Floating charge payments			
Bank charges			7
Total floating charge payments			**7**
Purchaser funding			
Funding		D	36,068
			36,068
Purchaser payments			
Payroll		D	36,069
Balance of purchaser funding			**(1)**
Balance in hand			**132,531**
Made up of:			
Floating charge deposit a/c		E	132,531
Balance in hand			**132,531**

Notes to the receipts and payments account

A receipts and payments account together with a separate trading account is provided opposite and on the next page detailing the transactions since our appointment on 20 November 2023.

Notes to receipts and payments account

A - Trading deficit

See trading account on the following page.

B - Plant & Machinery

On 4 December 2023 £1 was received as a non-refundable deposit, to be set against consideration for plant and machinery, paid by the Purchaser. No further consideration is expected in relation to Promech.

C - Book debts

Book debts of £86k have been recovered since the Joint Administrators' appointment. The purchaser is supporting the Joint Administrators with the collection of books debts following Completion in return for a 30% commission on the net amount collected.

D - Purchaser funding and payments

The Joint Administrators facilitated the payroll of the 17 remaining employees transferred to the Purchaser for the month of December 2023. The Purchaser provided funds of £36k to Promech to meet the payroll costs.

Of the £36k received in the reporting period all £36k has been paid out to employees. A reconciliation will be performed ahead of 31 March 2024 to finalise amounts to be funded by the Purchaser.

E - Bank interest

Funds are held in an interest-bearing account. The associated corporation tax on interest received will be accounted for to HMRC.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Appendices

Appendix C

Promech Trading account

Promech Technologies Limited
Joint Administrators' trading account
20 November 2023 to 2 January 2024

£	Notes	To Date
Receipts		
Intercompany recharge	1	75,000
Total receipts		**75,000**
Payments		
Wages and Salaries	2	28,299
Total payments		**28,299**
Trading surplus/(deficit)		**46,701**

Notes to the trading account

A trading account detailing the transactions in the period 20 November 2023 (date of Joint Administrators' appointment) to 2 January 2024 is provided opposite and has been prepared on an accruals basis.

Immediately following our appointment we concluded it would be in the best interest of the creditors to continue to trade the Promech whilst continuing to seek a sale of the business and assets. This was for a limited period with no financial benefit to the administration other than to maintain the value of the business whilst a sale was pursued.

1 - Intercompany recharge

An amount of £75k has been recharged from Promech to WN Vtech to cover payroll and estimated expenditure incurred during the period 20 November 2023 to Completion.

Promech is a cost centre providing services to support trading in WN Vtech.

2 - Wages and Salaries

Wages and salaries represent payroll costs in the period 20 November 2023 to Completion. As noted above all 32 employees were retained immediately following our appointment. On 27 November 2023, 15 were made redundant. The remaining 17 employees transferred to the Purchaser on 5 December 2023.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Appendices

Appendix C

VCS

Vehicle Conversion Specialists Limited
Joint Administrators' receipts and payments account
20 November 2023 to 2 January 2024

£	SoA values	Notes	To date
Fixed charge receipts			
Freehold Property	*2,400,000*		-
Total fixed charge receipts	*2,400,000*		-
Floating charge receipts			
Trading surplus/(deficit)	-	A	143,904
Bank interest	-	C	694
Book debts	-	B	18,309
Stock & WIP	*514,591*		-
Total floating charge receipts	*514,591*		**162,908**
Floating charge payments			
Bank charges			28
Total floating charge payments			**28**
Balance in hand			**162,879**
Made up of:			
VAT receivable		D	2,154
Floating charge deposit a/c		C	230,682
VAT payable		D	(69,956)
Balance in hand			**162,879**

Notes to the receipts and payments account

A receipts and payments account together with a separate trading account is provided opposite and on the next page detailing the transactions since our appointment on 20 November 2023.

Notes to receipts and payments account

A - Trading deficit

See trading account on the following page.

B - Book debts

Book debts of £18k have been collected since the Joint Administrators' appointment. The directors' SoA shows a net book value of c.£833k of book debts at the date of our appointment, with an estimate realisable value of nil.

We continue to pursue recovery of these debts. However, we are unable at this time to provide an estimate of further debtor collections and will provide an update in our next progress report.

C - Bank interest

Funds are held in an interest-bearing account. The associated corporation tax on interest received will be accounted for to HMRC.

D - VAT

All sums shown opposite are shown net of VAT, which is recoverable and will be accounted for to HM Revenue & Customs in due course.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Appendices

Appendix C

VCS
Trading account

Vehicle Conversion Specialists Limited
Joint Administrators' trading account
20 November 2023 to 2 January 2024

£	Notes	To Date
Receipts		
Vehicle sales	1	349,781
Total receipts		**349,781**
Payments		-
Wages and Salaries	2	194,107
Expenses	3	11,769
Total payments		**205,877**
Trading surplus/(deficit)		**143,904**

Notes to the trading account

A trading account detailing the transactions in the period 20 November 2023 (date of Joint Administrators' appointment) to 2 January 2024 is provided opposite and has been prepared on an accruals basis.

Immediately following our appointment, we concluded it would be in the best interest of the creditors to continue to trade VCS whilst continuing to seek a sale of the business and assets. This was for a limited period with no financial benefit to the administration other than to maintain the value of the business whilst a sale was pursued.

As noted on page 19 trading ceased on 27 November 2023. Since then, costs have been incurred in realising assets including the remaining work-in-progress and dealing with creditors retention of title claims.

1. Vehicle sales

Customer sales receipts represent invoices raised to customers since our appointment. These are reflected on an accruals basis and recorded as traded debtors until the income is received.

In total 21 vehicles were delivered to customers during the period of this report on a sold as seen basis plus further vehicles sold for scrap. All invoices were settled on collection of goods.

2. Wages and salaries

As noted above all 147 employees were retained immediately following our appointment. On 27 November 2023, 144 were made redundant, three employees were retained with one since leaving of their own accord in the period. All 144 employees made redundant were paid for the period 20 – 27 November 2023. The two remaining employees continue to be paid during the course of their employment.

3. Trading expenses

Trading expenses relate to costs incurred in respect of contractors to support trading and negotiations with NHS immediately following our appointment.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Appendices

Appendix C

JME

JM Engineering (Scarborough) Limited
Joint Administrators' receipts and payments account
20 November 2023 to 2 January 2024

£	SoA values	Notes	To date
Floating charge receipts			
Trading surplus/(deficit)	-	A	(22,529)
Plant & Machinery	-	B	26,000
Bank interest	-	E	165
Book debts	*145,088*	C	68,104
Total receipts	*145,088*		**71,740**
Payments			
Statutory Advertising			327
Bank charges			-
Amount due to purchaser as commission		C	15,669
Total payments			**15,996**
Purchaser funding			
Funding		D	56,811
			56,811
Purchaser payments			
Payroll		D	29,247
Balance of purchaser funding			**27,564**
Balance in hand			**83,307**
Made up of:			
VAT receivable		B	65
Floating charge deposit a/c		E	102,737
Trade creditors		G	(15,669)
VAT payable		F	(3,826)
Balance in hand			**83,307**

Notes to the receipts and payments account

A receipts and payments account together with a separate trading account is provided opposite and on the next page detailing the transactions since our appointment on 20 November 2023.

Notes to receipts and payments account

A - Trading deficit

See trading account on the following page.

B - Plant & Machinery

On 5 December 2023, £26k was received as consideration for plant and machinery, paid by the Purchaser. The directors attributed a value of nil in the SoA. Refer to page 21 for details of sales consideration.

C - Book debts

Book debts of £68k have been received since the Joint Administrators' appointment. The purchaser is supporting the Joint Administrators with the collection of books debts following Completion in return for a 30% commission on the net amount collected as detailed on page 21.

D - Purchaser funding and payments

On completion the Purchaser paid c.£19k in respect of leasehold properties for which a license to occupy has been given to the Purchaser for the period to 31 March 2024.

In addition the Joint Administrators facilitated the payroll of the 18 employees transferred to the Purchaser for the month of December 2023. To date the Purchaser has provided funds of £38k to WN Vtech to meet the payroll costs.

Of the £57k received £29k has been paid out to employees in the reporting period. A reconciliation will be performed ahead of 31 March 2024 to finalise amounts to be funded by the Purchaser.

E - Bank interest

Funds are held in an interest-bearing account. The associated corporation tax on interest received will be accounted for to HMRC.

F - VAT

All sums shown opposite are shown net of VAT, which is recoverable and will be accounted for to HM Revenue & Customs in due course.

Appendices

Appendix C

JME
Trading account

JM Engineering (Scarborough) Limited
Joint Administrators' receipts and payments account
20 November 2023 to 2 January 2024

£	SoA values	Notes	To date
Floating charge receipts			
Trading surplus/(deficit)	-	A	(22,529)
Plant & Machinery	-	B	26,000
Bank interest	-	E	165
Book debts	*145,088*	C	68,104
Total receipts	*145,088*		**71,740**
Payments			
Statutory Advertising			327
Bank charges			-
Amount due to purchaser as commission		C	15,669
Total payments			**15,996**
Purchaser funding			
Funding		D	56,811
			56,811
Purchaser payments			
Payroll		D	29,247
Balance of purchaser funding			**27,564**
Balance in hand			**83,307**
Made up of:			
VAT receivable		B	65
Floating charge deposit a/c		E	102,737
Trade creditors		G	(15,669)
VAT payable		F	(3,826)
Balance in hand			**83,307**

JM Engineering (Scarborough) Limited
Joint Administrators' trading account
20 November 2023 to 2 January 2024

£	Notes	To Date
Payments		
Wages and Salaries	1	22,529
Total payments		**22,529**
Trading surplus/(deficit)		**(22,529)**

Notes to the receipts and payments account (continued)

G – Trade creditors

Invoices received are logged, recorded and posted to the cash book on an accruals basis, the balance noted represents invoices received and posted to the cash book but not yet paid from the bank accounts.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Notes to the trading account

A trading account detailing the transactions in the period 20 November 2023 (date of Joint Administrators' appointment) to 2 January 2024 is provided opposite and has been prepared on an accruals basis.

Immediately following our appointment, we concluded it would be in the best interest of the creditors to continue to trade the JME whilst continuing to seek a sale of the business and assets. This was for a limited period with no financial benefit to the administration other than to maintain the value of the business whilst as sale was pursued.

1. Wages and salaries

These relate to wages and salaries paid in the period 20 November 2023 to Completion. There have been no further trading expenses paid in the reporting period.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Appendices
Appendix D

Fees Estimate

For purposes of the Fees Estimate, the average rate per hour shown for each work activity is based on a blended rate calculated as a factor of the estimated time that each grade of staff will spend on that activity and their specific charge - out rate.

Time Costs to date

These are shown as the average rate per hour for each activity based on the actual time spent by each grade of staff at their specific charge - out rate.

Joint Administrators' Fees Estimates

Our Fees Estimates detailing the work that we anticipate will need to be undertaken on each case for the duration of our appointments together with estimates of the likely cost and amount of time that each part of that work will take to complete, is provided on the next page.

The work anticipated to be undertaken has been categorised by activity which we hope is self explanatory. Please also refer to our Post Appointment Strategy on pages 19 to 23 where we have talked in more detail about specific tasks on each case.

We have also separately identified and grouped those work activities that are primarily administrative in nature (including tasks required for statutory, regulatory or compliance purposes) from activities which can be seen to directly add value to each case, such as asset realisation or dealing with claims.

Time costs incurred to date

As indicated at page 29 above, we intend to invite secured creditors to fix our fees on a time costs basis. An analysis showing our time costs to 3 January 2024 and the average hourly charge for each category of work undertaken to 3 January 2024 is also provided in the Fees Estimate on the following pages.

Please note that all staff (including cashiers) assigned to each case record their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment is not recorded or recovered. The appropriate staff will be assigned to work on each aspect of the case based upon their seniority and experience and having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Time is charged in six-minute increments.

Our charge out rates are reviewed annually and last increased on 1 January 2024.

Appendices

Appendix D

WN Vtech

Joint Administrators' Fees Estimate – for the period of the administration

Activity		Anticipated Time and Costs per Fees Estimate			Actual Time and Costs for Report Period		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	24.2	683	16,517	17.9	750	13,425
	Case supervision	125.4	897	112,504	122.3	913	111,627
	Case reviews	8.4	577	4,848	-	-	-
	Case closure matters	8.5	628	5,339	-	-	-
Statutory & compliance	Compliance & IPS diary	8.8	697	6,132	6.1	964	5,880
	Insurance	2.6	930	2,417	2.0	990	1,980
	General reporting	33.0	633	20,885	3.9	420	1,638
Initial actions	Appointment matters	24.8	1,047	25,922	21.0	1,172	24,615
	Securing assets	2.0	814	1,628	-	-	-
	Notifications	12.0	649	7,794	8.8	870	7,652
Investigations	CDDA reporting	18.0	622	11,196	-	-	-
	Investigations	8.5	778	6,612	-	-	-
Total of above categories		**276.2**	**803**	**221,793**	**182.0**	**917**	**166,817**
Taxation	Tax	38.5	911	35,091	29.6	1,074	31,783
	VAT	14.5	515	7,460	-	-	-
Asset realisations	Book debts	21.1	767	16,182	5.3	900	4,725
	Chattel assets	3.0	898	2,693	1.0	1,210	1,210
	Other assets	144.0	888	127,880	132.6	870	115,377
	Property	16.0	785	12,558	0.8	990	743
	Retention of title	175.0	840	146,942	165.3	834	137,865
	Sale of business	92.2	807	74,406	63.2	1,143	72,266
Trading	Day 1 control of trading	6.2	945	5,859	5.5	990	5,445
	Ongoing trading	210.0	837	175,770	196.8	787	154,925
	Closure of trade	14.0	849	11,891	-	-	-
Employees	Correspondence	57.1	689	39,317	42.0	879	36,900
	Pensions	0.5	856	428	-	-	-
Correspondence	Creditors	25.0	640	15,992	23.6	505	11,907
	Customers	40.0	669	26,749	24.3	905	21,938
	Press & media queries	-	-	-	-	-	-
Distributions	Secured creditors	1.3	916	1,190	-	-	-
	Preferential creditors	1.3	916	1,190	-	-	-
Total fees estimate		**1,135.9**	**813**	**923,391**	**871.8**	**874**	**761,899**

Appendices

Appendix D

Treka

Joint Administrators' Fees Estimate – for the period of the administration

Activity		Anticipated Time and Costs per Fees			Actual Time and Costs for Report		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	30.0	683	20,475	25.5	610	15,547
	Case supervision	101.4	878	89,025	77.6	1,116	86,571
	Case reviews	8.4	577	4,848	-	-	-
	Case closure matters	8.5	628	5,339	-	-	-
Statutory & compliance	Compliance & IPS diary	7.4	635	4,700	3.7	961	3,557
	Insurance	2.1	808	1,696	0.9	1,210	1,089
	General reporting	53.5	662	35,417	1.0	1,210	1,210
Initial actions	Appointment matters	51.5	637	32,828	49.5	645	31,910
	Securing assets	10.0	770	7,697	8.5	389	3,305
	Notifications	10.0	684	6,843	4.4	515	2,267
Investigations	CDDA reporting	13.6	614	8,348	-	-	-
	Investigations	5.0	788	3,938	-	-	-
Total of above categories		**301.4**	**734**	**221,153**	**171.1**	**850**	**145,456**
Taxation	Tax	11.5	861	9,907	9.0	1,088	9,790
	VAT	17.5	491	8,595	-	-	-
Asset realisations	Book debts	94.0	847	79,606	8.3	605	4,995
	Chattel assets	32.0	974	31,180	23.8	1,210	28,798
	Other assets	161.0	889	143,136	157.5	826	130,017
	Property	19.1	844	16,123	1.0	990	990
	Retention of title	101.7	762	77,545	41.3	540	22,298
	Sale of business	213.2	823	175,477	175.2	937	164,135
Trading	Day 1 control of trading	50.0	683	34,125	47.2	510	24,054
	Ongoing trading	131.0	728	95,340	128.5	638	81,972
	Closure of trade	17.0	787	13,382	-	-	-
Employees	Consultation	8.0	805	6,439	-	-	-
	Correspondence	38.0	856	32,519	19.0	467	8,865
	Pensions	0.5	856	428	-	-	-
Correspondence	Creditors	59.9	703	42,060	14.8	790	11,688
	Customers	36.3	697	25,295	12.9	851	10,938
Distributions	Secured creditors	17.5	694	12,151	-	-	-
	Preferential creditors	7.4	727	5,378	-	-	-
Total fees estimate		**1,317.0**	**782**	**1,029,838**	**809.4**	**796**	**643,995**

Appendices

Appendix D

Promech

Joint Administrators' Fees Estimate – for the period of the administration

Activity		Anticipated Time and Costs per Fees			Actual Time and Costs for Report Period		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	6.0	650	3,900	4.9	355	1,739
	Case supervision	7.2	490	3,526	2.0	422	844
	Case review s	3.6	516	1,857	1.0	605	605
	Case closure matters	5.0	914	4,570	-	-	-
Statutory & compliance	Compliance & IPS diary	3.9	580	2,262	1.0	210	210
	Insurance	1.0	650	650	-	-	-
	General reporting	10.5	815	8,558	-	-	-
Initial actions	Appointment matters	1.0	900	900	-	-	-
	Securing assets	1.0	650	650	-	-	-
	Notifications	5.0	642	3,210	4.4	515	2,267
Investigations	CDDA reporting	3.0	553	1,660	-	-	-
	Investigations	3.0	733	2,200	-	-	-
Total of above categories		**50.2**	**676**	**33,943**	**13.3**	**426**	**5,664**
Taxation	Tax	2.7	440	1,189	-	-	-
	VAT	4.0	448	1,790	-	-	-
Asset realisations	Other assets	8.0	650	5,200	7.4	421	3,114
	Retention of title	11.0	650	7,150	9.5	403	3,825
	Sale of business	16.0	754	12,060	6.2	655	4,072
Trading	Day 1 control of trading	9.5	720	6,838	9.5	431	4,095
	Ongoing trading	96.1	650	62,465	92.0	436	40,073
Employees	Consultation	1.6	712	1,139	-	-	-
	Correspondence	9.0	675	6,075	8.5	450	3,825
	Pensions	2.0	815	1,630	-	-	-
Correspondence	Creditors	6.0	678	4,065	2.1	210	441
Distributions	Secured creditors	4.6	811	3,732	-	-	-
	Preferential creditors	4.3	780	3,314	-	-	-
Total fees estimate		**225.0**	**669**	**150,589**	**148.5**	**438**	**65,108**

Appendices

Appendix D

JME

Joint Administrators' Fees Estimate – for the period of the administration

Activity		Anticipated Time and Costs per Fees			Actual Time and Costs for Report Period		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	11.2	683	7,644	7.0	746	5,223
	Case supervision	9.5	661	6,279	2.4	773	1,855
	Case reviews	2.7	812	2,191	-	-	-
	Case closure matters	1.5	866	1,299	-	-	-
Statutory & compliance	Compliance & IPS diary	5.4	672	3,629	0.7	420	294
	Insurance	2.5	788	1,969	-	-	-
	General reporting	14.0	755	10,574	-	-	-
Initial actions	Appointment matters	2.5	1,069	2,672	-	-	-
	Securing assets	4.0	1,034	4,137	4.0	900	3,600
	Notifications	10.5	644	6,762	4.4	1,030	4,534
Investigations	CDDA reporting	9.1	536	4,878	-	-	-
	Investigations	2.0	1,022	2,045	-	-	-
Total of above categories		**74.9**	**722**	**54,079**	**18.5**	**838**	**15,506**
Taxation	Tax	2.7	665	1,794	-	-	-
	VAT	7.0	538	3,767	-	-	-
Asset realisations	Other assets	8.5	805	6,846	8.1	772	6,252
	Retention of title	13.5	837	11,306	13.5	760	10,260
	Sale of business	10.0	839	8,395	6.2	1,310	8,144
Trading	Day 1 control of trading	12.0	798	9,576	9.5	862	8,190
	Ongoing trading	102.5	805	82,556	91.5	871	79,740
	Closure of trade	5.0	683	3,413	-	-	-
Employees	Consultation	1.0	1,055	1,055	-	-	-
	Correspondence	8.5	835	7,101	5.0	900	4,500
	Employment tribunals	1.5	798	1,197	-	-	-
	Pensions	0.5	856	428	-	-	-
Correspondence	Creditors	9.1	702	6,384	1.0	420	420
Distributions	Secured creditors	2.3	996	2,290	-	-	-
Total fees estimate		**259.0**	**773**	**200,186**	**153.3**	**868**	**133,012**

Appendices

Appendix D

VCS

Joint Administrators' Fees Estimate – for the period of the administration

Activity		Anticipated Time and Costs per Fees			Actual Time and Costs for Report		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	8.0	683	5,460	6.6	327	2,157
	Case supervision	21.8	715	15,593	11.1	372	4,130
	Case reviews	8.0	789	6,308	-	-	-
	Case closure matters	5.8	697	4,044	-	-	-
Statutory & compliance	Compliance & IPS diary	9.8	622	6,094	0.7	210	147
	Insurance	2.4	683	1,638	-	-	-
	General reporting	10.2	804	8,202	-	-	-
Initial actions	Appointment matters	7.0	791	5,534	7.0	605	4,235
	Securing assets	30.1	542	16,317	29.0	397	11,520
	Notifications	12.6	666	8,395	3.4	489	1,662
Investigations	CDDA reporting	12.8	636	8,147	-	-	-
	Investigations	8.0	852	6,820	14.0	360	5,040
Total of above categories		**136.5**	**678**	**92,550**	**71.8**	**402**	**28,891**
Taxation	Tax	7.6	655	4,980	2.2	605	1,331
	VAT	12.7	552	7,015	-	-	-
Asset realisations	Other assets	47.1	913	42,989	46.6	415	19,334
	Property	20.0	835	16,695	2.0	360	720
	Retention of title	185.0	683	126,263	178.4	433	77,272
	Sale of business	99.1	683	67,636	98.9	508	50,203
Trading	Day 1 control of trading	10.0	891	8,915	8.0	433	3,465
	Ongoing trading	88.0	683	60,060	85.5	502	42,925
	Closure of trade	9.0	868	7,812	-	-	-
Employees	Consultation	7.0	863	6,043	-	-	-
	Correspondence	59.0	683	40,268	56.5	387	21,863
	Employment tribunals	2.0	683	1,365	0.5	450	225
	Pensions	1.0	856	856	-	-	-
Correspondence	Creditors	26.4	683	18,018	26.0	405	10,523
	Customers	106.4	453	48,237	101.0	468	47,310
Distributions	Secured creditors	4.2	971	4,078	-	-	-
Total fees estimate		**821.0**	**675**	**553,778**	**677.3**	**449**	**304,060**

Appendices
Appendix E

Joint Administrators' Proposals WN Vtech

Our Proposals will be deemed approved on 25 January 2024 unless a creditors' decision procedure is requisitioned in accordance with Rules 15.18 and 15.19 of the Rules 2016.

We will still need to obtain specific approval for the resolutions given below from the secured creditors and preferential creditors:

1. Approval that the basis of the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration.
2. Approval that the Joint Administrators' category 2 expenses in respect of e.g. mileage (as detailed on page 32) be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses from the administration estate.
3. Approval that the Joint Administrators' pre administration expenses, comprising legal fees of £4,459 and agents' fees of £9,763.50 as detailed on pages 33 of the Joint Administrators' Proposals, be approved and that the Joint Administrators be authorised to draw their pre-administration expenses from the administration estate.
4. Approval that the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies.

Joint Administrators' Proposals Treka, Promech, VCS and JME

Our Proposals will be deemed approved on 25 January 2024 unless a creditors' decision procedure is requisitioned in accordance with Rules 15.18 and 15.19 of the Rules 2016.

We will still need to obtain specific approval for the resolutions given below from the secured creditors and preferential creditors:

1. Approval that the basis of the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration.
2. Approval that the Joint Administrators' category 2 expenses in respect of e.g. mileage (as detailed on page 32) be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses from the administration estate.
3. Approval that the Joint Administrators' pre administration expenses, comprising legal fees of £4,459 per company as detailed on pages 33 of the Joint Administrators' Proposals be approved and that the Joint Administrators be authorised to draw their pre-administration expenses from the administration estate.
4. Approval that the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies.

Appendices
Appendix E

Joint Administrators' Proposals Holdings

Our Proposals will be deemed approved on 25 January 2024 unless a creditors' decision procedure is requisitioned in accordance with Rules 15.18 and 15.19 of the Rules 2016.

We will still need to obtain specific approval for the resolutions given below from the secured and preferential creditors:

1. Approval that the Joint Administrators' category 2 expenses in respect of e.g. mileage (as detailed on page 32) be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses from the administration estate.
2. Approval that the Joint Administrators' pre administration expenses, comprising legal fees of £4,459 as detailed on pages 33 of the Joint Administrators' Proposals be approved and that the Joint Administrators be authorised to draw their pre-administration expenses from the administration estate.
4. Approval that the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies.

A creditors' committee will not be formed unless we are requested to hold a decision procedure for purposes of forming a creditor's committee; please refer to page 27 of the Proposals for details of the procedure in this regard.

Please note that if you wish to form a creditors' committee, you will also be expected to confirm your willingness to serve or be represented on the creditors' committee, including dealing with any business placed before the creditors' committee throughout the period of the administration [and in any follow on liquidation] should a creditors' committee be formed.

Appendices

Important notice

Important Notice

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

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