

AM06

Notice of approval of administrator's proposals



Companies House

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A31 24/10/2019 #6

COMPANIES HOUSE

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A11 08/10/2019 #277

COMPANIES HOUSE

1 Company details

Company number 1 0 2 5 7 4 0 2

Company name in full Havelock International Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name High Court of Justice Business and Property Courts in Birmingham
Insolvency and Companies List (ChD)

Court case number C R - 2 0 1 9 - B H M - 0 6 1 8

3 Administrator's name

Full forename(s) David Robert

Surname Baxendale

4 Administrator's address

Building name/number 7 More London Riverside

Street London

Post town



County/Region

Postcode S E 1 2 R T

Country

AM06

Notice of approval of administrator's proposals

5 Administrator's name ①		① Other administrator Use this section to tell us about another administrator.
Full forename(s)	Zelf	
Surname	Hussain	
6 Administrator's address ②		② Other administrator Use this section to tell us about another administrator.
Building name/number	7 More London Riverside	
Street	London	
Post town		
County/Region		
Postcode	S E 1 2 R T	
County		
7 Date administrator(s) appointed		
Date	d 3 d 1 m 0 m 7 y 2 y 0 y 1 y 9	
8 Date statement of proposals delivered to creditors		
Date	d 2 d 0 m 0 m 9 y 2 y 0 y 1 y 9	
9 Date proposals were deemed to be approved		
Date	d 0 d 3 m 1 m 0 y 2 y 0 y 1 y 9	
10 Sign and date		
Administrator's signature	Signature 	
Signature date	d 0 d 3 m 1 m 0 y 2 y 0 y 1 y 9	

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Notice of approval 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 Kate Whitham

Company name PWC LLP

Address Central Square

29 Wellington Street

Post town Leeds

County/Region West Yorkshire

Postcode L S 1 4 D L

Country

DX

Telephone 0113 289 4162



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 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

In accordance with
paragraph 49 of Schedule B1
of the Insolvency Act 1986
and rule 3.35 of the
Insolvency (England and
Wales) Rules 2016

Date 20 September
2019

Anticipated to be
delivered to creditors
on 20 September 2019

Havelock International Limited – in administration

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

Case No. CR-2019-BHM-000618

Joint Administrators' proposals for achieving the
purpose of administration

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Abbreviations and definitions

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

Abbreviation or definition	Meaning
Administrators/we/us/our	David Robert Baxendale and Zelf Hussain both of 7 More London Riverside, London, SE1 2RT
BEIS	Department for Business, Energy & Industrial Strategy
Company	Havelock International Limited
Deasil	Deasil Limited as secured creditor under fixed and floating charges
HMRC	HM Revenue & Customs
IA86	Insolvency Act 1986
IGF	Independent Group Finance Limited as secured creditor under fixed and floating charges
IR16	Insolvency (England and Wales) Rules 2016
preferential creditors	Primarily employee claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
PwC	PricewaterhouseCoopers LLP
RFS	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by BEIS, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
secured creditor	A creditor with security in respect of their debt, in accordance with section 248 IA86
SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply.
SIP 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
unsecured creditors	Creditors who are neither secured nor preferential

Why we've prepared this document

As we've explained previously, on 31 July 2019 the Company went into administration and Zelf Hussain and I were appointed as Administrators.

We tell you in this document why the Company was put into administration. We give you a brief history and set out our proposals for achieving the purpose of administration. We include details of the Company's assets and liabilities, and say how likely we are to be able to pay each class of creditor.

According to IA86, the purpose of an administration is to achieve one of these objectives:

- (a) rescuing the Company as a going concern, or if that is not possible or if (b) would achieve a better result for the creditors than (a)
- (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or finally, if that is not possible
- (c) realising the Company's assets to pay a dividend to secured or preferential creditors.

In this case, we're following objective (c), as it was not reasonably practical to rescue the Company as a going concern and/or achieve a better result for creditors than would be likely if the Company were wound up (without first being in administration).

Our job is to manage the Company until creditors agree our proposals for achieving the purpose of administration and we've implemented them so far as possible. After that the administration will end.

The whole of this document and its appendices form our statement of proposals for achieving the purpose of administration.

We're not seeking a decision from the creditors to approve our proposals because we think the Company doesn't have enough assets to pay a dividend to unsecured creditors other than from the prescribed part.

So, our proposals will be treated as approved unless enough creditors ask us to seek a decision to approve them. This would happen if at least 10% in value of the total creditors ask us to do so (in line with rule 15.18 IR16) within eight business days of the date we deliver the proposals to you.

If you've got any questions, please get in touch with my colleague Kate Whitham on 0113 289 4162.



Signed.....

David Robert Baxendale

Joint Administrator of the Company

David Robert Baxendale and Zelf Hussain have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents without personal liability. They are licensed in the United Kingdom to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

*The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>*

Havelock International (in administration) – Joint Administrators' proposals for achieving the purpose of administration

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

A summary of what you could recover

Estimated outcome for secured creditors

What secured creditors are owed:	IGF – c.£1m	
	Deasil – c.£5m	
What we think secured creditors could recover:	<u>% Recovery</u>	<u>Forecast timing</u>
	IGF – 100%	6 months
	Deasil - Uncertain	N/A

Estimated dividend prospects

For preferential creditors:	Uncertain	Unknown
For unsecured creditors:	Uncertain	Unknown

This is a brief summary of the possible outcome for creditors based on what we know so far. You shouldn't use it as the main basis of any bad debt provision or debt trading. Please read the rest of this document.

Estimated outcome for creditors

Secured creditors

IGF's debt as of the date of appointment was c.£1m and is secured under an agreement dated 7 May 2019 in relation to invoice discounting facilities provided to the Company against a debtor ledger with a book value of £3.6m; made up of trade debtors of £925k, accrued income of £1.1m and retentions of £1.6m. Under the discounting facility, all book debts, both pre and post administration, are assigned to IGF. IGF is expected to be paid in full from book debt collections. IGF also has fixed and floating charges over all the Company's assets.

Deasil's lending as at the date of the appointment was c.£5m as is secured by a debenture dated 3 July 2018. This security gives Deasil fixed and floating charges over all of the Company's assets. Based on what we currently know, Deasil will suffer a significant shortfall on its lending.

Preferential creditors (mainly employees)

We think we'll be able to pay a dividend to preferential creditors, but, we do not know at this stage what the timing and quantum of any dividend might be. The outcome for preferential creditors is heavily dependent on retention realisations and any book debt realisations after IGF has been paid in full.

Unsecured creditors

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

The amount of the prescribed part is:

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

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

We think there will be a prescribed part dividend for unsecured creditors but this is heavily dependent on IGF being paid in full and there being surplus book debts to be assigned back to the Company sufficient to meet all costs of the administration and preferential claims. It also requires the prescribed part funds to exceed the costs of agreeing creditor claims and paying a dividend. This guidance is only an indication. You shouldn't use it as the main basis for any bad debt provisions or debt trading.

Based on what we know currently, we do not think there will be any dividend for unsecured creditors other than from the prescribed part.

Brief history of the Company and why it's in administration

Background

The Company was incorporated on 29 June 2016 and was dormant until the purchase of the business and assets from the administrators of Havelock Europa Plc in July 2018.

The Company was a UK based provider of interior fit-out specialists providing the full spectrum of services from design, through to manufacture and installation. Its head office and manufacturing facilities were based in Kirkcaldy, Fife, and the business employed over 250 staff. Its customers included major retailers, banks, construction companies and commercial organisations.

The circumstances leading to our appointment

Following the successful acquisition of the business and assets from Havelock Europa plc, the Company suffered from deteriorating market conditions in the sector. This created a challenging trading environment and reduced sales across major contracts, with the business unable to successfully win enough new work to be profitable. In addition, the majority of suppliers were continuing to supply on a proforma basis, resulting in increased working capital requirements. These factors left the Company in significant financial stress.

The directors implemented a two-fold strategy to save the business. The Company firstly approached a number of parties to try and secure additional funding, and secondly sought to achieve a sale of the shares of the Company or its business and assets. Unfortunately, no transaction was able to be concluded in the time frame needed and, as the Company was unable to secure additional funding, the directors were left with no other option but to place the company into administration, with David Baxendale and Zelf Hussain appointed Administrators on 31 July 2019.

Sales Process

On 18 July 2019, the Company engaged PwC to assist the directors in exploring options to attract additional investment, market the business for sale, and to commence contingency planning for the appointment of Administrators should a solvent sale prove unsuccessful. A team from PwC, supported by the directors, undertook sale negotiations with a number of interested parties. From this, one conditional offer was received, but it was deemed undeliverable due to the length of time required by the offeror to complete its due diligence without additional funding being in place.

Pre-administration costs

The decision was taken by the directors on 28 July 2019 that the Company would move into administration. Our time costs from that date until our appointment totalled £58,208 (excluding VAT). We also incurred legal expenses of £3,166 (plus VAT).

PwC's initial role was to advise the Company on its options in relation to a sales process and contingency planning for administration. When it became clear that insolvency of the Company was inevitable, PwC additionally worked with the Company's directors and their legal advisers in preparing for administration.

We think that PwC's role in preparing and planning for our appointment made a significant contribution to achieving the purpose of the administration because it (a) explored whether there was potential for the business to continue as a going concern and (b) allowed time to effectively plan an administration strategy which is in the best interests of the creditors of the Company.

More details of these fees and expenses, including further information regarding the work undertaken, can be found at Appendix A.

To the best of our knowledge and belief, no fees or expenses were charged by any other insolvency practitioner.

The payment of unpaid pre-administration costs as an expense of the administration is subject to approval under rule 3.52 IR16 and doesn't form part of our proposals, which are subject to approval under paragraph 53 Sch B1 IA86. If you elect a creditors' committee, it will be up to the committee to give this approval under rule 3.52 IR16.

But if there's no committee, then because we've said we think the Company doesn't have enough assets to pay anything to unsecured creditors, other than via the prescribed part, it will be for the secured creditors and preferential creditors if applicable to do so instead.

What we've done so far and what's next if our proposals are approved

Management and financing of the Company's affairs and business

Strategy and immediate actions

David Baxendale and Zelf Hussain were appointed Administrators on 31 July 2019. Having completed contingency planning prior to our appointment, our objectives on appointment were:

- To contact key customers and contractors on major projects to ascertain interest in completing the work;
- To contact all debtors, seeking to realise value from the Company's debtors book;
- To continue with a sales process of the business, facilitating site visits and conversations with interested parties. Failing this, we would engage parties interested in purchasing the plant & machinery of the Company; and
- To maximise value from realising stock; selling finished goods to key customers, contractors and competitors.

Immediately on appointment, we attended the Company's premises and took control of the assets. 247 employees were made redundant immediately, with 18 employees retained to assist in implementing the administration strategy. Arrangements were put in place with IGF to use funds that were payable to it under its assignment rights, including £100,000 of the pre-administration bank balance, to fund the administration.

In the days immediately following the administration it became clear that the Company's customers had already taken steps to mitigate their exposure by engaging alternative contractors to complete unfinished contracts. We therefore decided that the Company would not undertake to complete outstanding contracts, but would focus on stock realisations through the sale of finished goods as described below.

Exploring interest in the business

Contact was made with parties who had previously expressed interest in the business and assets. Despite some well progressed conversations, no formal offers were received for the business and assets, and we have therefore proceeded with a strategy to realise the assets on a piecemeal basis.

Stock sales

As part of the process of liaising with customers on our appointment, we identified certain customers with interest in the Company's finished goods stock.

Under the terms of IGF's invoice discounting facility, all post appointment book debts are assigned to IGF. Sales of most finished goods stock to date is therefore shown as post appointment book debts and as fixed charge receipts in the attached receipts and payments account. In order to facilitate more complex stock sales, we negotiated with IGF to exclude sales to one major customer from the facility. Sales of these stocks therefore are shown as floating charge receipts in the receipts and payments account. In addition, we agreed that funds from stock sales could be utilised to meet the administration operating costs. We also saw an opportunity to source additional stock from a third party for a major customer. These sales are shown as trading sales in the receipts and payments account, with the associated supplier payments being shown as costs of trading sales.

We will continue to make stock sales to existing customers. We are also speaking to other parties interested in acquiring the residual stock in due course.

Book debts

The book debts are assigned to IGF under the invoice discounting facility under which it was owed approximately £1m on administration. The trade debtor ledger and accrued income ledger have a combined book debt value of £3.6m with an estimated to realise value of £750,000 as per the director's statement of affairs. To date the sum of c.£838K has been realised against these ledgers exceeding the estimated realisable value. Some c.£303k has been collected directly by IGF. Where monies have been paid to the Administrators directly, we have been monitoring and liaising with IGF to transfer funds and enable them to reconcile their accounts. The Administrators are continuing to pursue the outstanding trade debts and accrued income balances and have appointed a firm of independent Quantity Surveyors to review the contracts in greater detail and pursue the customers and contractors accordingly to maximise realisations.

We anticipate that collections will shortly be sufficient to repay IGF its lending in full and that subsequently, the remaining book debt ledger will be reassigned to the Company.

Plant and machinery

We are currently negotiating a sale of the plant and machinery to a third party having previously instructed agents to provide an independent valuation. We hope to conclude this transaction shortly, failing which we will work with our agents to initiate an alternative realisation strategy.

Cash

A total of £230,485.86 has been realised in respect of monies held in a pre-appointment bank account. The cash balance represented collections from book debts which were assigned to IGF. We took legal advice, which concluded that this balance was trust monies held on behalf of IGF. As a result, we paid a total of £130,485.86 to IGF as shown on the enclosed receipts and payments account, with the balance retained for provide some funding for the administration, as noted above.

Employees

At the date of our appointment, the Company employed 265 people. Of these employees, 247 were made redundant with immediate effect on the date of our appointment and a small workforce was retained to assist with the administration. We have liaised with all employees so they can recover some monies owed from the RPS.

Work still to be done

We will continue the asset realisation strategy as set out above. We will seek to accelerate the sale of finished goods as well as plant and machinery. We will also monitor the collection of book debts, liaise with IGF in this regard and ensure any surplus debtor collections are paid to the estate.

While the Company does not appear to own any other assets known to have any material value, we have a duty to investigate what other assets there may be (including potential claims against third parties) and what recoveries can be made.

We will use surplus funds after meeting the costs of the administration to make distributions to the various classes of creditors, potentially including a dividend to unsecured creditors from the prescribed part.

During the course of the administration, we will be winding-down the Company's affairs, including any necessary final tax and VAT matters and dealing with the Company's books and records. We must also comply with all relevant insolvency legislation and regulatory obligations arising as a result of the insolvency of the Company and our appointment as Administrators. These typically include periodic reports to creditors, obtaining approval for our remuneration and internal controls to ensure the administration strategy continues to be appropriate and outstanding matters are being progressed on a timely basis.

The administration will be brought to an end as soon as it is appropriate to do so.

Connected party transactions

There have been no transactions to connected parties to date. Should this position change we will update creditors in our next report.

Directors' conduct and investigations

As outlined in our initial letter to creditors, we have a duty to form a view on the actions of anybody who has been a director of the Company in the three years before our appointment. We will submit our findings to BEIS within three months of our appointment.

We will also decide whether any action should be taken against anyone to recover or contribute to the Company's assets. If you think there is something we should know about and you haven't yet told us, please complete the relevant section of the proof of debt attached to this document. This is part of our normal work and doesn't necessarily imply any criticism of the directors' actions.

Objective of the administration

We are pursuing objective (c) which is to realise the Company's assets to pay a dividend to secured or preferential creditors, as it was not practical to rescue the Company as a going concern and/or achieve a better result for creditors as a whole than would be likely if the Company was wound up (without first being in administration).

The Administrators concluded that administration was the best insolvency route for the Company. In particular in relation to the project work and engaging with major contractors as administration allowed for greater flexibility for the Company to operate or make commercial arrangements in order to maximise value for creditors. It also allowed a better chance of exploring the sales process and inviting offers for the sale of the business, even if the prospects of a sale were low.

Creditors' committee

We're asking you to decide whether you wish to elect a creditors' committee to help us in discharging our duties. If the creditors do wish to do so, there will be a creditors' committee if enough creditors want to be on it. Please see Appendix B for a guide to creditors' committees.

Our fees and disbursements

It will be up to the creditors' committee to fix the basis of our fees and Category 2 disbursements. But if there's no committee, because we've said we think the Company doesn't have enough assets to pay anything to unsecured creditors other than via the prescribed part, we'll ask the secured creditors and preferential creditors, if applicable, to do so instead. If creditors or the committee do not fix the basis of our fees and Category 2 disbursements, we may apply to the court to fix them no later than 18 months after the date of our appointment.

Ending the administration

Our exit route will depend on the outcome of the administration. As we've said above, we think there may be a dividend for unsecured creditors from the prescribed part. Assuming that's the case, once we've paid any prescribed part dividend and finished our other work, we'll file a notice with the Registrar of Companies and the Company will be dissolved three months later. But if we think that there are matters that should be conducted in a liquidation rather than in the administration, we may instead apply for a court order ending the administration and for the Company to be wound up.

If we don't think any of the objectives of administration are achievable, we'll apply for a court order ending the administration and for the Company to be dissolved.

Statement of affairs

We were given a statement of affairs of the Company on 20 August 2019. It was signed by Christopher Campbell.

A copy of the statement of affairs and our comments on it are attached at Appendix D. As required by law, it includes details of the names, addresses and debts of creditors (including details of any security held), other than, if applicable, employees and former employees of the Company and consumers claiming amounts paid in advance for the supply of goods and services.

Statutory and other information

Court details for the administration:	High Court of Justice Business and Property Courts in Birmingham Insolvency & Companies List (ChD) Case No. CR-2019-BHM-000618
Full name:	Havelock International Limited – in administration
Trading name:	Havelock
Registered number:	10257402
Registered address:	8 th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL (Formerly Ground Floor, Egerton House, 68 Baker Street, Weybridge, KT13 8AL)
Company directors:	Christopher Campbell, Philip Raymond Emmerson, George McAdam and Gold Round Limited.
Company secretary:	RJP Secretaries Limited
Shareholdings held by the directors and secretary:	None
Date of the administration appointment:	31 July 2019
Administrators' names and addresses:	David Robert Baxendale and Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT
Appointer's/applicant's name and address:	The directors of the Company,
Objective being pursued by the Administrators:	Objective (c) – realising the Company's assets to pay a dividend to secured and preferential Creditors
Division of the Administrators' responsibilities:	For the purposes of paragraph 100(2) of Sch B1 IA86, the Administrators may exercise any of the powers jointly or individually
Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on Insolvency Proceedings (recast) :	The Regulation applies to this administration and the proceedings are main proceedings

Receipts and payments account

Havelock International Limited - in Administration	
Statement of Affairs	31 July 2019 to 12 September 2019 (£)
Fixed charge	
Receipts	
750,000 Assigned book debts	408,162.93
Less: assigned book debts paid to IGF	(403,155.47)
Surplus assigned book debts	5,007.46
259,000 Cash at bank	230,485.86
Less: ring fenced funds due back to IGF	(130,485.86)
Surplus cash at bank	100,000.00
Trading sales	367,901.61
Less: costs of trading sales	(227,501.23)
Surplus trading sales	140,400.38
1,009,000 Total	245,407.84
Payments	
Wages & tax/pension deductions	(122,538.56)
Total	(122,538.56)
Fixed charge balance	122,869.28
Floating Charge	
Receipts	
Bank interest received gross	64.73
Funding from third parties/chargeholder	12,947.58
150,000 Plant and equipment	-
250,000 Deferred consideration	-
50,000 Stock - raw materials and WIP	-
50,000 Stock - floating charge	6,348.14
500,000 Total	19,360.45
Payments	
Agents' Fees - Property & Assets	(1,550.00)
Licenses, trade marks, royalties etc	(45.00)
Office costs, Stationery & Postage	(633.00)
Rent	(7,606.17)
Insurance	(6,638.35)
Wages & tax/pension deductions	(40,846.19)
Employee/subcontractor costs & expenses	(121.00)
Total	(57,439.71)
Floating charge balance	(38,079.26)
Vat control account	30,554.01
Funds in hand*	115,344.03
*Funds held in interest bearing bank account	

Appendix A: Pre-administration costs

The table below provides details of costs which were incurred before our appointment as Administrators but with a view to the Company entering administration. Details of the work done and expenses incurred follow.

To the best of our knowledge, no expenses have been incurred by another person qualified to act as an Insolvency Practitioner.

	Details of agreement including date and parties to it	Paid amount (£)	Payment made by	Unpaid amount (£)
Our fees as Administrators-in-waiting	PwC	nil	n/a	58,208
Expenses incurred by us as Administrators-in-waiting	Eversheds Sutherland	nil	n/a	3,166
Total				61,374

A breakdown of our pre-administration fees as Administrators in waiting by hours and grade of staff is set out below:

Analysis of time costs for the period from 28 Jul 2019 to 31 Jul 2019

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
Strategic & Planning	9.00	2.80	43.20	20.90	43.60	1.27	-	120.77	55,950.46	463.53
Assets	-	-	-	5.50	-	-	-	5.50	2,227.50	405.00
Total for the period	9.0	2.8	43.2	26.4	43.6	1.3	-	126.27	58,177.96	460.98

Our fees as Administrators-in-waiting

This work entailed:

- Drafting and reviewing communications to employees and gathering employee information in preparation for the wind-down of the Company;
- Reviewing operational needs and value within the Company's contracts and stock;
- Liaising with the Company directors in preparation for the appointment; and
- Liaising with the Secured Creditors regarding the appointment and securing funding for the administration.

Please note the following:

- Our work for the administration commenced on 28 July 2019 following meetings with the directors after we concluded that a sales process could not be completed.
- The Company entered administration at 3:52pm on 31 July 2019.
- All of our pre-administration fees and expenses remain unpaid
- We included details earlier in this report on the work done with a view to the Company entering administration.

Approval of pre-administration costs

The payment of unpaid pre-administration costs as an expense of the administration is subject to approval under Rule 3.52 IR16 and doesn't form part of our Proposals, which are subject to approval under Paragraph 53

Havelock International (in administration) – Joint Administrators' proposals for achieving the purpose of administration

Sch B1 IA86. We expect the secured and preferential (if applicable) creditors will be the relevant class of creditor to renew and approve these costs for payment.

Appendix B: Creditors' committee guidance

Please follow the link below to access to the creditors' committee guidance:

https://www.pwc.co.uk/business-recovery/administrations/assets/creditor_committee.pdf

Appendix C: Proof of debt

The proof of debt may be found at www.pwc.co.uk/havelockinternational.

Please follow the link below to access the proof of debt:

<https://www.pwc.co.uk/business-recovery/administrations/assets/havelock-international-limited-proof-of-debt.pdf>

Appendix D: Copy of the Statement of affairs

A copy of the director's statement of affairs as at the date of administration is provided over the page. Here are our comments on it:

- As is normal in a statement of affairs, there is no provision for the costs of realising the Company's assets or the costs of the administration.
- As required by law, the Statement lists the names and address of creditors other than employees.
- *We haven't audited the information.*
- The directors have reported that the estimated realisable value of trade debtors is £750,000 and the Administrators think this estimate is reasonable.
- Retentions have been classified as floating charge but following a security review we know they are subject to a fixed charge.
- The directors have reported potential realisable values of £150,000 for plant and equipment and £100,000 for stock. The Administrators hope to exceed these realisable values.
- Deferred consideration has an estimated realisable value of £250,000. The Administrators are uncertain whether this value can be realised as the deferred consideration is contingent on the trading performance over the next 12 months of a subsidiary sold by the Company prior to the administration.
- The directors estimated cash of £259,000 to be realised, to date £230,486 has been realised. This is shown as a floating charge asset in the Statement of Affairs, but the Administrators have received legal advice that these were trust monies held for the benefit of IGF and therefore this should be shown as a fixed charge asset or deduction from the amount owed to IGF.

Statement of affairs

Name of company

Havelock International Limited

Registered office address

2 Ac Court
High Street
Thames Ditton
Surrey
KT7 0SR

Company number

10257402

In the

Business and Property Courts in
Birmingham, Insolvency and Companies
List (ChD)

Court case number

CR-2019-BHM-0618

Insert date the company
entered into administration

The particulars and other information shown in this statement of affairs
and any continuation sheets give a full and complete statement of the
company's affairs as at

Date

31 July 2019

Statement of truth

I believe that the facts in this statement of affairs are true.

Full name Christopher Campbell

Signed



Dated 20 August 2019

A – Summary of assets

	Book value £	Estimated realisable value £
<u>Assets subject to fixed charge:</u>		
Trade debtors (Assigned)	925,000	750,000
Accrued income	1,123,000	Nil
Total assets subject to fixed charge	2,048,000	750,000
Less: amounts due to invoice discount provider	(1,009,000)	(1,009,000)
Surplus available to floating charge	1,039,000	Nil
<u>Assets subject to floating charge:</u>		
Plant and equipment	244,000	150,000
Retentions	1,640,000	Nil
Deferred consideration re: Stage Systems	250,000	250,000
Intangible assets	4,002,000	Nil
Stock – raw materials and WIP	847,000	50,000
Stock – finished goods	814,000	50,000
Cash	259,000	259,000
Total assets subject to floating charge	8,056,000	759,000
<u>Uncharged assets:</u>		
N/A – no uncharged assets	Nil	Nil
Estimated total assets available for preferential creditors	9,095,000	759,000

Signature



Date: 20 August 2019

B – Summary of liabilities

		Estimated realisable value £
Estimated total assets available for preferential creditors (carried from page A)		759,000
Preferential creditors:	Estimated to rank	
	£250,000	
Estimated deficiency / surplus as regards preferential creditors		£ 509,000
Estimated prescribed part where applicable (to carry forward)	£105,000	
Estimated total assets available for floating charges		£ 404,000
Debts secured by floating charges	£6,224,668	
Estimated deficiency / surplus after floating charges		£ (5,820,668)
Estimated prescribed part of net property where applicable (brought down)	£105,000	
Total assets available to unsecured creditors		£ 105,000
Unsecured non preferential claims (excluding any shortfall to floating charge holders)	£1,822,273	
Estimated deficiency / surplus as regards non preferential creditors (excluding any shortfall to floating charge holders)		£ (1,717,273)
Shortfall to floating charge holders (brought down)	£5,820,668	
Estimated deficiency / surplus as regards creditors		£ (7,537,941)
Issued and called up share capital	£1	
Estimated total deficiency / surplus as regards members		£ (7,537,942)

Signature  Date: 20 August 2019

B - Company creditors

Note: You must include all creditors, other than employees, former employees and consumer creditors claiming amounts paid in advance of the supply of goods or services ("consumer deposit creditors"), and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and creditors claiming retention of title over property in the company's possession.

Include in this schedule the number of employees and former employees and the total of the debts owed to them and the number of consumer deposit creditors and the total of the debts owed to them. Full details of their claims must be set out in separate schedules. The employee and consumer deposit creditor schedules are **NOT** delivered to the Registrar of Companies.

If more convenient, a list of the company's creditors may be attached to this page as long as it contains all the same information as in this table.

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Trade and other creditors	See schedule attached	1,822,273	None	N/A	Nil
Independent Growth Finance Limited	Kingsgate, High Street, Redhill, RH1 1SG	1,009,000	Assignment of certain trade debtors	13 May 2019	1,009,000
Deasil Limited	5 th Floor, 24 Old Bond Street, London, W1s 4AW	5,965,668	Debenture	3 July 2018	5,965,668
Total number of creditors (see separate schedules)		Total debt £			
Employees and former employees	Estimated level of claims	250,000			
Consumer deposit creditors	N/A	Nil			

Signature

Date: 20 August 2019

C - Company shareholders

If more convenient, a list of the company's shareholders may be attached to this page

Number	Name of shareholder	Address (with postcode)	Type of shares held	Nominal value of shares £	Number of shares held	Amount per share called up £	Total amount called up £
N/A	Reap Six Limited	5 th Floor, 24 Old Bond Street, London, W1S 4AW	Ordinary	0.01	100	0.01	1
						TOTAL £	1

Signature



Date: 20 August 2019

Appendix -- schedule of unsecured non preferential creditors

Name	Address	Address	Address	Balance
Aventia Steel Ltd	Paynes Lane		Rugby	1,762.20
Aura Business Publications	Nestfield House		Broughton	84.78
AI Products UK Ltd	Unit 19-20 Nimbus	Hercules Way	Farnborough	2,338.80
Allstar Joinery Ltd	36 Telford Road	Lenzie Mill Industrial Estate	Cumbernauld	187,263.30
Anthony James Insurance Broker	2 Princes Court	Royal Way	Loughborough	2,100.00
Arco East Midlands	PO Box 21	Waverley Street	Hull	195.06
Aspen Solutions Ltd	2 Napier Way	Wardpark	Cumbernauld	21,848.66
AZOLVE LIMITED	1 LONMAY ROAD		GLASGOW	30,960.00
Barkley Johnson Limited	Unit G21, The Avenues	Eleventh Avenue North	Gateshead	7,695.00
Bibby Distribution	105 Duke Street		Liverpool	77,175.96
BOC Ltd	Customer Service Centre	PO Box 12	Priestley Road, Worsley	10,239.31
Bouncepad Spots Ltd	Unit 7	Lackwood Industrial Park	Mill Mead Road	5,074.22
Bow House Digital Ltd	116 Long Street	Easingwold	York	3,597.60
Briggs Equipment UK Ltd	Orbital 7	Orbital Way	Cannock	38,098.23
BT Plc	81 Newgate Street			41,370.13
Caley Print & Stationery	26 New Albion Industrial Estate	Halley Drive	Glasgow	3,550.92
Calor Acc 4861505	Abbotsinch Industrial Estate	Bo'ness Road	Grangemouth	4,125.02
Cathedral Leasing Ltd	300 Relay Point	Relay Drive	Lamworth	1,666.08
CDM Retail Displays	Unit 9	10 Centre	Nash Road, Redditch	47,877.09
Certwood Ltd	Laporte Way		Luton	2,567.38
City Electrical Factors Ltd	Unit 6	Middle River Ind Est	Douglas	66.74
Clarkson Owens Recruitment Limited				27,261.47
Clean Air Ltd	20 Mill Street		Bolton	383.40
Climate Retail Ltd	The Saw Mill Millside	133 High Street	Shaftesbury	10,630.90
Clyde & Co Scotland LLP	Abany House	58 Albany Street	Edinburgh	553.40
Complete Stainless Ltd	36 Telford Road	Lenzie Mill Ind Est	Cumbernauld	4,189.97
Cost Effective Catering Ltd	491 Queensferry Road			17,796.92
Creative Upholstery	Unit 13	Fraughton Road	Perth	3,738.74
Dachser Transport (UK) Ltd	Chichester Street		Rochdale	5,832.00
DB Friar Fixing	35 Templemore Drive	Great Barr	Birmingham	10,914.00
DMW Logistics Ltd	Unit 1, Sutton Parkway	Oldcroft Lane	Sutton-In-Ashfield	5,335.80
Dotmailer Ltd	No. 1 London Bridge		London	2,436.00
De Lage Landen Leasing	PO Box 430		Watford	153.60

EB Erskine	John Crawford House	3A Blackwater Road	Mallusk	4,168.68
Edmundson Electrical Ltd	6 Cultins Road	Sighnall	Edinburgh	5,014.21
ENERGIA TECHNOLOGIES LTD	BLOCK 6, UNIT 2	WOODEND IND ESTATE	Cowdenbeath	3,421.20
Engage Recruitment Ltd	Maxim Business Park	Maxim 1 - 1st Floor	2 Parklands Way, Motherwell	15,000.00
Engineering Agencies	Atholl Works	78 Halbeath Road	Dunfermline	8,129.76
Entrepreneurial Scotland Foundation	Inovo,	121 George Street	Glasgow	3,000.00
Environmental Dust Solutions	118 North Main Street	Carronshore	Falkirk	671.19
Essentra Components	Langford Locks		Kidlington	1,734.55
Eversheds Sutherland International LLP	115 Colmore Row			75,028.18
Ezidone Inc	No.12, Xinhua Jianye Road	Shuangfeng Town	Taichang City	15,085.60
Ecotricity	Lion House	Rowcroft	Stroud	85,000.00
F J MacLeod Shopfitting & Joinery Ltd	27 Harrowden Road		Inverness	11,860.47
Fastlane Ltd	169 Cromford Road		Langley Mill	6,307.86
Fastrac Resourcing Solutions Ltd	Albany House	535E Liverpool Road	Irlam	18,654.92
Fee Hydraulic Power Services	Taylor Stiles Building	Methilhaven Road	Leven	1,323.00
Fieldwork Contracts T/A Best Tanks	Northbank Farm	Cameron by St Andrews	St Andrews	1,440.00
Fife Council	Acc no 24418782019	Fife House	North Street	43,708.00
Fife Group UK Ltd	Wemyss Road	Dysart	Kirkcaldy	31,804.78
Firestar Safety Ltd	3 Delta Mallby		Rotherham	90.00
Flamefast UK Ltd	Unit 1, Heaton Court	Risley Road	Warrington	3,567.00
Floriana Limited / Naylor Recruitment	14 North Claremont Street			24,390.31
Forth Country Chauffeur Drive	67 Trenchard Place		Dunfermline	121.00
G&M Gardens	30 Laggan Crescent		Glenrothes	864.00
GEM Interior Contracts Ltd	Unit 85 Inspire Business Park	Carrowreagh Road	Dundonald	6,493.08
Gema Europa Srl - U.K Branch	Unit 20, Branksome Business Park	Bourne Valley Road	Paole	854.82
George Boyd Ltd	5 Randolph Place	Randolph Estate	Kirkcaldy	462.00
Graham Group	161 Edinburgh Sealfield	Sealfield Way	Edinburgh	3,180.67
Geaves Surface Solutions	Lyon House	81 Halfwayistle Road	South Woodham Ferrers	7,986.34
Hafele UK Ltd	FAO Julia Osbourne	Swift Valley Ind. Est	Rugby	37,480.86
HSS Hire Scotland	25 Willow Lane		Mitcham	13,283.35
Ian Dickson Travel Services	50 Dundas Street			6,136.28
Image Foundry Studios Ltd	Manchester Business Park	3000 Aviator Way	Manchester	6,774.00
Independent Glass Co Ltd	Quay House	Quay Road North	Rutherglen Industrial Estate	20,429.15
Information & Computing Services Inc	1650 Prudential Drive	Suite #300		18,233.25

Instafit Installation Ltd	1A Station Terrace	Allerton Bywater	Castleford	
ISF Group Ltd	Thurmaston Boulevard		Thurmaston	5,290.00
IWS Dunfermline	C/O BOC	IWS Finance, Midland Court	2 Midland Way	4,675.94
Jewson Ltd t/a George Boyd	Po Box 7357		Glasgow	1,139.63
JKC Europe Ltd	Units 14	St David Industrial Estate	Llanamkt	707.62
Key Industries Ltd	Blackmoor Road	Ebbw Vale Ind. Estate	Verwood	7,164.00
Kwikpac	Randolph Court	Randolph Industrial Estate	Kirkcaldy	1,494.00
Landesmesse Stuttgart GMBH	Messeplatz 1	70629	Stuttgart	27,391.56
Laphorn Media Ltd	5-7 Ozeigell Place	Eurokent Business Park	Ramsgate	37.75
Leading Beyond	Route 'Anzere A320	Case Postale 342	Cambridge	450.00
Libero Learning Ltd	6 Elsworth Road	Boxworth		18,193.00
Limelight Digital Limited	18 The office Village	North Road		870.00
Link Lockers	Link House	Halesfield 6	Telford	0.00
Link Mailing Systems Ltd	Crangage House	Mandarin Court	Warrington	67.20
Lion Steel Equipment Ltd	Johnson Brook Road			279.72
Mazars LLP	Tower Bridge House	St Katherine's Way	Hvde	84.88
MB Air Systems Ltd	149 Glasgow Road		London	28,151.78
McQueens Dairies Limited	Unit 4, Block 10, Muirhead Park		Wishaw	3,465.20
Merlin Finishes Ltd	1 Woburn Place	Mitchelson Industrial Park	Kirkcaldy	333.20
Metallform Holdings Ltd	Chambers Road	Hoyland	Mansfield	20,842.00
MSC Industrial Supply	7 Pacific Avenue		Barnsley	746.64
MTI Technology Ltd	Riverview House	Weyside Park	Wednesbury	232.13
Maxxia Limited	Adam House	7-10 Adair Street	Cutte-hall Lane, Goddington	4,320.00
Neil Hood Consulting	143 Baldwin Avenue		London	2,843.44
New Springs UK	The NSC Arena	4 Belton Road West Extension	Glasgow	2,000.00
Noonan Services GRP Ltd	Hilton House, Unit 3	Swords Business Park	Loughborough	200.00
Novacrylics Engineering	Unit 4, Shrewley Farm	Five Ways Road	Swords	266.64
Orsted Sales UK Ltd	5 Howick Place		Hatton	510.00
Ogilvie Fleet Ltd	Ogilvie House	200 Glasgow Road		32,000.00
John (Ian) Purves	66 Seaforth Terrace		Stirling	
Pan-Oston B.V. (GBP)	Praamstraat 15		Sonnyngg	973.44
Pan Oston B.V. (EUR)	Hertzstraat 1	8102 PK Raalte	Praamstraat	2,839.98
Pitney Bowes Ltd	The Pinnacles		Harlow	4,650.66
PJ O'Sullivan Ltd	33 Mariners Cottages		South Shields	1,047.01
Pland Stainless Ltd	Leeds		Leeds	38,332.04
Posturite UK Ltd	The Mill		Berwick	1,778.72
				435.89

Power Tool Engineering Ltd	Unit G, Springhill Parkway	Glasgow Business Centre	Glasgow	938.03
Premier Electrics (Euro Invoicing)	16c Tamlaghtduff Road	Bellaghy	Meagheraitt	7,653.20
Pulse Lighting Ltd	39A Highmores Road		Thurmaston	68.88
Ming Ren	25 Millstone Court	Mill Street	Stone	2,607.30
R & M Distribution Ltd	Unit 1, Carwhinny	Michelston Industrial Estate	Kirkcaldy	2,781.59
Redfaire	400 Thames Valley Park		Reading	22,508.40
Rehau Ltd	Brinell Drive	Northbank Industrial	Irlam, Manchester	1,076.07
Resource Efficient Solns LLP	Fife House	North Street	Glenrothes	9,587.90
Richard Brooks Precision Engineering	Units 4, 5 & 6, VHS Trading Estate	180 Aldridge Road	Great Barr, Birmingham	576.00
RIM Logistics UK Ltd	Unit 11, Target Park	Slawbank Road	Redditch	1,653.20
RJP LLP	2 A C Court	High Street	Thames Ditton	150.00
RMD Shopfitting Ltd	34 Dean Ridge	Gowshall	Dunfermline	51,977.09
Ross Electrical	Unit J	Pitcrave Business Park	Dunfermline	112.80
Rowan Consultancy	4 Kinnoull Street		Perth	336.00
Rowe Cleaning Ltd	370-374 Nottingham Road	Newthorpe	Nottingham	1,340.00
Royal Mail Group Plc	Freeport Nat15921	Royal Mail Retail Finance Ops	Po Box 605, Peterborough	1,888.80
Godfrey Syrett	Eagle Works	Killingworth Township	Newcastle	269.04
Richard Simpson	9 Coldstream Crescent		Leven	1,200.00
Salon Services Ltd	Ground Floor, Inspired	East Hampstead Road	Bracknell	2,806.44
Scotia Beatings Ltd	6-7 Epoch House	Falkirk Road	Glasgow	1,762.49
SCSMAS Consultancy Limited	36 Victoria Street		Abroath	10,800.00
Secureshred Scotland Ltd	Unit 91	Flexspace Business Centre	Mitchelston Drive, Kirkcaldy	1,513.68
Sepa	Strathallan House	The Castle Business Park	Stirling	4,981.50
Sperrin Metal Products Ltd	28 Threshers Way		Willenhall	3,435.12
Sport Alpha (Alpha Leisure)	Unit 5, Burnbank Business Units	Souter Head Road	Alberden	577.66
Spotless Commercial Cleaning	9 Kings Haugh	Pelfernall Ind Estate	Pelfernall Road	16,314.13
Spray Plant 2K Ltd	Spray Plant 2K Ltd	Trident House	Hales Road, Leeds	215.16
Stearn Electric (Exeter)	Unit 4 Westwoods	Alphinstock Road	Exeter	1,195.20
Stearn Electronic Co Ltd	Unit 2 Jubilee Court	Montrose Avenue	Hillington Park	56,362.32
Stedler Group UK Ltd	Unit 3 Sentinel Court	Atholl Avenue	Hillington Park	79,865.01
Step Connect2 Ltd	Step House	North Farm Road	Tonbridge Wells	4,200.00
Storage In Loughborough Ltd	Unit 4	Backlane	Cotes, Loughborough	496.80
Suresafe Protection Ltd	8 Kelvin Road	Lendemill	Cumbernauld	578.82
SYSCO GUEST SUPPLY	4 Venus House	Calleva Park	Aldernaston	469.90
Scottish Water	Castle House	6 Castle Drive	Carnegie Campus	

SOL Specialist Manufacture Limited	101a West Dock Street		Kingston Upon Hull	
Talon Business Solutions Ltd	Thomson House	8 Minerva Way		19,836.00
The firm of J & J Walker	41 Machanhill		Larkhall	950.00
The Glass Man	678 Glasgow Road	Wishaw		1,550.40
Thomson Pettie Ltd	40-42 Tollpark	Wardpark East	Cumbernauld	522.72
Three Rooms	Stratley Hall		Nottingham	3,888.00
Three V Partnership LLP	5th Floor 24 Old Bond Street	Mayfair		108,517.60
Tru-Test H&S Services	12 Keith Street		Kincardine	4,878.60
Veolia Environmental Services	Kingswood House	Kingswood Crescent	Cannock	1,474.82
Viking Direct	Po Box 9998		Leicester	307.69
Water at Work Ltd	Unit 9 East Bridgford Business Park	Kireeton Road	East Bridgford	193.45
Wilson Tool International	South Marston Ind Estate	Stirling Road	Swindon	333.64
Wixroyd International Ltd	Littermead Industrial Estate	Alexia House	Cranleigh	185.28
White Box Design	Woodlands	12 Donibristie Gardens	Darcy Bay	6,500.00
TSC Machine Sales	651 Eglinton Street		Glasgow	1,065.60
UV Group Plc	20 Rigg Approach	Lea Bridge Road	London	428.53
BPE Electrical Testing Ltd	Evans Business Centre	1 Michaelson Square	Livingston	805.32
Biesse Group UK Ltd	Lampart Drive	Heartlands Business Park	Davenry	31,344.45
International Decorative Surfaces	Caledonia Heights	Admiralty Park	Roxth	12,001.24
JWL Architectural Ironmongery	Gracel House	Mount Street	Nottingham	247.80
MOBILI OFFICE LIMITED	INNOVATION HOUSE	SNAYGILL INDUSTRIAL ESTATE	KEIGHLEY ROAD	125.52
Eden Springs UK Ltd	3 Livingstone Boulevard	Hamilton International Trading Park	Blantyre	496.04
STEF TECHNICAL LTD	4 SILVERKNOWES LOAN		EDINBURGH	5,484.00
CreditSafe UK	Bryn House	Caerphilly Business Park	Van Road	600.00
SATRA Technology Centre Ltd	Wyndham Way	Telford Way	Kettering	595.20
Orniston Wire Ltd	1 Fleming Way	Worton Road	Neworth	203.76
The Language Room Ltd	15 Edinburgh Road		Linthgow	1,411.19
Summerfield Advisory Limited			Dunbar	17,738.75
Active Energy Solutions Ltd	33-41 Kelvin Avenue	Hillington Park	Glasgow	33,833.59