

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 00429221

Company name in full Calder Metal Spinning Company Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Anthony

Surname Milnes

3 Administrator's address

Building name/number Leonard Curtis

Street 1 & 2 Lion Chambers

John William Street

Post town Huddersfield

County/Region

Postcode HD11ES

Country

4 Administrator's name ①

Full forename(s) Sean

Surname Williams

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Leonard Curtis

Street 9th Floor

7 Park Row

Post town Leeds

County/Region

Postcode LS15HD

Country

② 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 ^①



I attach a copy of the qualifying report



I attach a statement of disposal

^① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8

Sign and date

Administrator's
Signature

Signature

X



X

Signature date

d

0

d

1

m

1

m

2

y

2

y

0

y

2

y

3

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

Amelia Blythe

Company name

Leonard Curtis

Address

9th Floor

7 Park Row

Leeds

Post town

County/Region

Postcode

L S 1 5 H D

Country

DX

Telephone

0113 323 8890



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

CALDER METAL SPINNING COMPANY LIMITED
(IN ADMINISTRATION)

Registered Number: 00429221

Court Ref: CR-2023-LDS-000849

High Court of Justice Business and Property Courts in Leeds - Company & Insolvency
List (CHD)

Joint Administrators' Report and Statement of Proposals in
accordance with Para 49 of Schedule B1 to the Insolvency Act 1986
and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

Report date: 1 December 2023

Date report deemed to be delivered to creditors: 4 December 2023

Decision date: 19 December 2023

Leonard Curtis contact details:

1 & 2 Lion Chambers, John William Street,
Huddersfield HD1 1ES
Tel: 01484 501585

9th Floor, 7 Park Row, Leeds
LS1 5HD
Tel: 0113 323 8890

General email: recovery@leonardcurtis.co.uk

Email for requests for a physical meeting: Leeds.meetingreq@leonardcurtis.co.uk

Ref: E/53/ABL/CP42L/1040

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TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL EMPLOYEES
ALL MEMBERS

1 INTRODUCTION

General information

- 1.1 I refer to the appointment of Anthony Milnes and Sean Williams as Joint Administrators ("the Joint Administrators") of Calder Metal Spinning Company Limited ("the Company") on 11 October 2023 and now write to present the Joint Administrators' proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act").
- 1.2 Para 3 of Schedule B1 to the Act requires the Joint Administrators to perform their functions with the objective of:
- a) Rescuing the company as a going concern; or
 - b) Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
 - c) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.3 Para 51(1) of Schedule B1 to the Act ordinarily requires the Joint Administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. However, this does not apply where the Joint Administrators state that they think:
- a) That the company has sufficient property to enable each creditor of the company to be paid in full; or
 - b) That the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a distribution of the prescribed part fund; or
 - c) That neither of the objectives specified in 1.2(a) and 1.2(b) above can be achieved.
- 1.4 I can confirm that in this case the Joint Administrators are of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured creditors and accordingly neither of the objectives specified in 1.2(a) and 1.2(b) above can be achieved. A distribution is, however, expected to be made to the secured creditor and or a distribution to the preferential creditors in line with the objective set out at 1.2(c) above. As a result, there is no requirement to seek a decision from the Company's general body of creditors as to whether they approve the Proposals.
- 1.5 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the Joint Administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the Joint Administrators within 8 business days of the date on which this report was delivered and comprise the following:
- A statement of the purpose of the proposed decision; and EITHER
 - A statement of the requesting creditor's claim, together with:
 - A list of the creditors concurring with the request and the amount of their respective claims or values; and
 - Confirmation of concurrence from each creditor concurring. OR
 - A statement of the requesting creditor's debt and that that alone is sufficient without the concurrence of other creditors.
- 1.6 The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.

- 1.7 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 ("the Rules"). Where this is the case, notification of the date on which the Proposals were deemed to have been approved (being 13 December 2023) will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.
- 1.8 The Joint Administrators are required to seek a decision from the Company's creditors to determine, amongst other things, the basis upon which the Joint Administrators will draw their remuneration and Category 2 expenses (including payments to associates). It is the Joint Administrators' intention to seek these decisions by correspondence as provided for by the Act and Rules. Formal Notice of this Decision Procedure is attached at Appendix I. A voting form is attached at Appendix J. This form should be completed and returned to this office by 23:59 on the Decision Date, being 18 December 2023, with a completed proof of debt form (attached at Appendix K) or your vote will be disregarded, as will any forms returned after the Decision Date.
- 1.9 Creditors meeting the following minimum criteria may request in writing that the decisions be made at a creditors' meeting, rather than by correspondence:
- a) 10% in value of the creditors; or
 - b) 10% in number of the creditors; or
 - c) 10 creditors
- 1.10 Such a request must be made not later than five business days after the date on which these Proposals were delivered. The deemed date of delivery of this report is given on the front page. Requests should ideally be made to Leeds.meetingreq@leonardcurtis.co.uk.
- 1.11 In the event that no such request is received, the Joint Administrators will, as soon as reasonably practicable after the Decision Date specified at 1.8 above, report to creditors on the decisions taken.

Notice of an Invitation to Creditors to Form a Creditors' Committee

- 1.12 Creditors are entitled to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of that committee.
- 1.13 Attached at Appendix L is Notice of an Invitation to Form a Creditors' Committee. Any nominations must be delivered to the Joint Administrators by the Decision Date shown on the front of this report and can only be accepted if the Joint Administrators are satisfied as to the creditors' eligibility under Rule 17.4 of the Rules.
- 1.14 In order to assist creditors in making an informed decision on whether they wish to be nominated to serve on a committee, creditors are encouraged to access the document below, which provides information on the rights, duties and functions of creditors' committees.

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/29111/page/1/liquidation-creditors-committees-and-commissioners/>

2 STATUTORY INFORMATION

- 2.1 The Administration proceedings are under the jurisdiction of the High Court of Justice Business and Property Courts in Leeds - Company & Insolvency List (CHD) under Court reference CR-2023-LDS-000849.
- 2.2 During the period in which the Administration Order is in force, any act or function required or authorised to be done by the Joint Administrators may be exercised by both or either of them.
- 2.3 The Company's registered office was changed from Unit 1 Calder Trading Estate, 370 Bradford Road, Brighouse, West Yorkshire HD6 4DJ to 9th Floor, 7 Park Row, Leeds LS1 5HD on 18 October 2023. The registered number is 00429221. The Company traded as its registered name.

2.4 The Company operated from leasehold premises at Unit 1 Calder Trading Estate, 370 Bradford Road, Brighouse, West Yorkshire HD6 4DJ and at Unit 6 Park Road Mills, Elland HX5 9HX.

2.5 The Company's director is as follows:

Name	Role	Date Appointed
Stephen Lawlor	Director	29 June 2018

2.6 The Company's authorised share capital is £800. The issued share capital comprises Ordinary A, Ordinary B, Ordinary C and Ordinary D share, being owned as follows:

Name	Class of Share	No. of Shares	% of Total Owned
Leeds Metal Spinning Ltd	Ordinary A	160	20.0
Leeds Metal Spinning Ltd	Ordinary B	60	7.5
Leeds Metal Spinning Ltd	Ordinary C	320	40.0
Leeds Metal Spinning Ltd	Ordinary D	260	32.5
		<u>800</u>	<u>100.0</u>

2.7 According to the information registered at Companies House, the Company has the following registered charge as at appointment date:

Chargeholder	Date created	Description	Amount secured £	Assets Charged
Skipton Business Finance Ltd	29 June 2019	Fixed and floating charge	c.£92,000	All assets of the Company

2.8 The insolvency proceedings are COMI proceedings.

3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION

3.1 Following the completion of the pre-packaged sale of the Company's business and assets, the Joint Administrators sent a letter to creditors on 17 October 2023 to provide further information on the sale pursuant to the requirements of the Statement of Insolvency Practice ("SIP") 16. A copy of the information provided is attached at Appendix M of this report.

3.2 The Joint Administrators would like to draw your attention to section 3.6 to 3.43 of the SIP16 report, which provides background information regarding the Company and events leading up to the Joint Administrators' appointment.

3.3 As set out in the SIP16 report, the director was introduced to Leonard Curtis on 23 May 2023 by Elite Accountancy Services Limited ("Elite") to provide advice on the Company's position. On review of the position of the Company, insolvency options were considered by the director, potential funding options were considered and negotiating a time to pay with HM Revenue & Customs ("HMRC") was considered. As set out in the SIP16 report these negotiations were successful but ultimately the Company could not adhere to the terms and the director re-approached Leonard Curtis to consider the options then available to him and the Company.

3.4 The Joint Administrators do not believe that there are any significant personal or professional relationship between the Company or its director and Leonard Curtis which would have affected their ability to deal with this matter objectively and prevent them from accepting this appointment.

4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

4.1 The Company's trading results for the five month period ended 31 July 2023, year ended 27 February 2022 and year ended 27 February 2021 are detailed below:

	Mgmt. 5 month period ended 31 July 2023 £	Filed Year ended 27 Feb 2022 £	Filed Year ended 27 Feb 2021 £
Turnover	538,134	1,494,102	518,559
Cost of Sales	<u>(532,745)</u>	<u>(1,031,382)</u>	<u>(395,878)</u>
Gross Profit	5,389	462,720	122,681
Gross Profit Margin	0.9%	31.0%	23.7%
Distribution costs	-	(5,550)	-
Administrative expenses	(458,929)	(431,441)	(241,652)
Other operating income	-	159,459	128,292
Operating (Loss) / Profit	<u>(453,540)</u>	<u>185,188</u>	<u>9,321</u>
Interest receivable and similar income	-	2	22
Interest payable and similar expenses	-	(10,077)	(7,260)
(Loss) / Profit before tax	<u>(453,540)</u>	<u>175,113</u>	<u>2,083</u>
Taxation	-	6,366	-
Profit for the year	<u>(453,540)</u>	<u>181,479</u>	<u>2,083</u>
Retained profit b/fwd.	<u>*646,747</u>	<u>343,904</u>	<u>341,821</u>
Retained profit c/fwd.	<u>193,207</u>	<u>525,383</u>	<u>343,904</u>

*This is the carrying value of the Profit & Loss reserve brought forward as at 28 February 2023. No accounts have been made available to us for the year end February 2023.

4.2 The balance sheets as at 31 July 2023, 27 February 2022 and 27 February 2021 are detailed below:

	Mgmt. Period ended 31 July 2023 £	Signed Year ended 27 Feb 2022 £	Signed Year ended 27 Feb 2021 £
Fixed Assets			
Tangible Assets	<u>301,120</u>	<u>268,126</u>	<u>268,238</u>
Current Assets			
Stocks	25,000	436,204	202,000
Debtors	1,266,640	1,014,931	826,669
Cash	<u>19,260</u>	<u>4,090</u>	<u>83,212</u>
	1,310,900	1,455,225	1,111,881
Creditors: Amounts Falling due within one year	<u>(1,418,013)</u>	<u>(922,380)</u>	<u>(630,273)</u>
Net Current (Liabilities)/Assets	<u>(107,113)</u>	<u>532,845</u>	<u>481,608</u>
Total Assets less Current Liabilities	194,007	800,971	749,846
Creditors: Amounts falling due after more than year	-	(274,788)	(405,142)
Net Assets	<u>194,007</u>	<u>526,183</u>	<u>344,704</u>

Represented by			
Called up share capital (£800)	800	800	800
Profit and Loss account	193,207	525,383	343,904
Shareholders' Funds	<u>194,007</u>	<u>526,183</u>	<u>344,704</u>

Statement of Affairs

- 4.3 The director is required to lodge a statement of affairs as at 11 October 2023 which has to be filed with the Registrar of Companies. This document has not yet been received as the director has requested assistance with its preparation. The Company's accountant, Elite accountancy Services Limited, have therefore been instructed to assist the director with the preparation of the statement of affairs.
- 4.4 In the meantime, an estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.
- 4.5 Please note that no provision has been made in the Estimated Financial Position for costs and expenses of realisation, the costs of the Administration and any corporation tax which may be payable. The following comments are considered to be relevant and should be borne in mind when reading the figures:

Secured Creditor

Skipton Business Finance Limited ("SBFL")

- 4.6 SBFL funded the Company by way of an invoice finance agreement and hold security by way of fixed and floating charge over all assets, created on 29 June 2018 and delivered at Companies House on 9 July 2018.
- 4.7 At the date of the Administration, the total indebtedness to SBFL was £101,559, supported by a ledger totalling £146,431. As detailed in the SIP16 Report, the debtor ledger was excluded from the business and assets sale agreed by the Joint Administrators.
- 4.8 Following the Joint Administrators' appointment, SBFL have overseen the collection of the Company's outstanding debtor ledger and have advised that they may levy termination charges, estimated to be in the region of £30k plus VAT. The application of this charge and the collectability of the debtor ledger will therefore impact whether or not SBFL suffer a shortfall against their lending.
- 4.9 As reflected in the Estimated Financial Position as Appendix B of this report, our agents Cerberus Receivables Management Limited ("CRM") indicated a realisable value of £118,000 of the debtors on appointment. As such it is anticipated that there will be a nominal shortfall before the application of any termination or collection charges.

Prescribed Part

- 4.10 The Act provides that, where a company has created a floating charge after 15 September 2003, the administrator must make a prescribed part of the Company's net property available to the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.
- 4.11 As it is anticipated that although the secured creditor will suffer a shortfall under its fixed charge element of their security there will be no funds available to set aside a Prescribed part fund due to the level of Secondary Preferential Creditors. There is therefore no requirement to set aside a prescribed part in this case.

Preferential Claims

- 4.12 The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay and certain pension contributions. At the date of the Joint Administrators' appointment, the Company had 26 employees, who transferred to the Purchaser upon

the completion of the business and assets sale pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE").

- 4.13 It is understood that pension contributions may be outstanding for a period prior to the Company ceasing to trade. The Joint Administrators will be taking steps to confirm this and apply to the Redundancy Payments Service for any outstanding amounts should this be the case.

Secondary Preferential Creditors

- 4.14 With respect to insolvencies commencing on or after 1 December 2020, HMRC will rank ahead of floating charge holders and unsecured creditors in respect of certain unpaid taxes that the relevant company collects on behalf of HMRC. These taxes are known as Priority Taxes and include:

- VAT;
- PAYE (including student loan repayments);
- Construction Industry Scheme deductions; and
- Employees' NI contributions.

- 4.15 The Company had entered into a Time To Pay Arrangement with HMRC, but was unable to make payments in line with the arrangement. To date, a claim has not been received from HMRC and therefore the amount claimed as a secondary preferential creditor cannot be confirmed.

- 4.16 Based on current information, it is estimated that the secondary preferential claim will be in excess of £598,000.

- 4.17 At present, it is anticipated that there will be insufficient funds available to enable a distribution to secondary preferential creditors after the payment of costs of the Administration.

Unsecured Claims

- 4.18 From information taken from the Company's accounting software package, unsecured creditors on appointment totalled c.£264,000. To date, claims of £58,620 have been received.

- 4.19 At present, it is considered unlikely that there will be sufficient funds available to enable any form of distribution to unsecured creditors. Creditors should however continue to submit details of their claims using the proof of debt form attached at Appendix K. These claims will be collated and passed to any subsequently appointed Liquidator, should the position change.

Receipts and Payments

- 4.20 A receipts and payments account for the period of Administration to date is enclosed at Appendix C.

5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT

Sale of Business

- 5.1 An administrator has the power to sell a business free of the majority of the Company's liabilities, and to negotiate the terms of such a sale with a potential purchaser prior to appointment, with a sale completed immediately on appointment. This is commonly referred to as a 'pre-pack'.
- 5.2 Prior to and upon appointment, the Joint Administrators investigated the possibility of concluding a sale of the business and assets of the Company as it was considered that a sale of all or part of the business as a going concern would allow the following:

Maximise asset realisations – enhanced realisation for the Company's physical assets can be achieved compared to the ex-situ marketing constraint realisations likely to be achieved following the Company's cessation of trade. A pre-pack also allows for business continuity and minimal disruption in trading, which will maximise realisations in respect of the debtor ledger and realisation of the work in progress. It was considered that a cessation of trade would severely impact upon collections. It was also considered that continuing to trade the business during the Administration may not have resulted in an improved outcome for

creditors, would have been cost prohibitive and there were no available funds with which to finance such trading.

Preservation of goodwill – a pre-pack has allowed for the sale of the goodwill, which may not have been achieved if the Company ceased to trade. In order to maximise and preserve the goodwill it was critical that there was minimal disruption to trading. However, trading the business during Administration would not have guaranteed an improved offer and may have ultimately devalued the goodwill.

Mitigation of employee claims and preservation of employment for staff – a pre-pack allows for the Company's staff to transfer employment to the Purchaser pursuant to Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). This would mitigate claims for wages, holiday pay, notice pay and redundancy, which would have otherwise been due, had the employees been made redundant on a cessation of trade scenario.

Mitigation of creditor claims – a pre-pack could reduce various unsecured creditors' claims by enabling the Purchaser to enter into discussions with the finance companies with a view to novating these agreements and therefore mitigating creditor claims.

- 5.3 In the opinion of the Joint Administrators' agents, Auctus Limited t/a Cerberus Asset Management ("CAM"), Cerberus Receivables Management Limited ("CRM"), and Yorkshire Office Services Limited t/a Fitton & CO ("Fitton"), a sale of the business and assets would result in a better outcome for creditors due to an enhanced level of asset realisations available in a going concern sale rather than on a forced sale basis. It would also mean that no costs would be incurred in the uplift and removal of the Company assets which would have reduced the level of funds available for creditors.
- 5.4 The specific details of the marketing undertaken and interest shown is fully detailed within the copy of the SIP 16 report enclosed at Appendix M.
- 5.5 An offer of £57,000 was made to the proposed Administrators by Rodney Bay Limited ("the Purchaser"), a connected party by virtue of the director and shareholder of the Purchaser being an employee of the Company and wife of the Company's director and ultimate beneficiary. Following advice from our appointed agents, CAM, CRM and Fitton, this offer was accepted and the business sale was concluded on 11 October 2023, following the Joint Administrators' appointment. The sales consideration of £57,000 is apportioned as follows:

Category of Asset	Fixed Charge £	Floating Charge £
Goodwill, domain name and Company records	5,000	-
Plant and machinery	-	} 46,000
Office equipment and furniture	-	
Motor vehicles	-	
Work in progress	-	2,000
Total	5,000	52,000

- 5.6 Payment terms were requested by the Purchaser on deferred terms. This request was agreed by the Joint Administrators on the basis that an initial payment of £15,000 was made on completion and that security was provided by way of a debenture over the Purchaser's assets and personal guarantees from the director of the Purchaser and an employee. The payment terms agreed are as follows:

Date due	Amount £
On completion	15,000
Monthly payments: 5 monthly payments of £8,400 per month following the sale	42,000
Total	57,000

- 5.7 The amount payable on completion has been received by Weightmans and is in transition to the Joint Administrators' estate account. These sums are reflected in the receipts and payments account at Appendix C.
- 5.8 There were no other terms and conditions of the sale and purchase agreement that could materially affect consideration.

- 5.9 The sale is not part of a wider transaction and there are no buy-back arrangements or similar conditions attached with the sale and purchase agreement.
- 5.10 Following the completion of the pre-packaged sale of the Company's business and assets, the Joint Administrators sent a letter to creditors on 17 October 2023 to provide further information on the sale pursuant to the requirements of Statement of Insolvency Practice 16. A copy of the information provided is attached at Appendix M.

Factored Book Debts

- 5.11 As set out above, the Company had a book debt ledger which was subject to a factoring agreement with SBFL. As at the date of Administration, the gross value of the outstanding ledger was £146,431 with a corresponding balance of £101,559 due to SBFL. SBFL has advised that debt collections to date amount to £96,772.
- 5.12 It is anticipated that there will be a nominal surplus before the application of termination and collection charges. As such it is not presently anticipated there will be any funds available to the Administration estate once SBFL have been repaid.

Intercompany Debtors

- 5.13 The Joint Administrators' initial letter to creditors (enclosing the SIP16 notice) noted that two associated companies, A D Metal Spinning (Halifax) Limited ("AD Metal") and Hilclare Limited ("Hilclare"), were believed to be debtors of the Company. Whilst the balances on these accounts have not yet been formally reconciled, both AD Metal and Hilclare have entered into creditors' voluntary liquidation. It is anticipated that there will be insufficient assets to enable a distribution to be paid to the unsecured creditors of both AD Metal and Hilclare and as such no realisations are expected in this regard.
- 5.14 Our enquiries have also determined that there is a significant balance due from the Company's parent company, Leeds Metal Spinning Limited ("LMSL"), in the sum of c £641k as at July 2023. It is our understanding that a proportion of the amounts recorded as being due relate to monies advanced to assist with the payment of the shares from the former individual shareholders in June 2018. Having reviewed the accounts for LMSL it does not appear that it is in a position to settle this debt in full, however we are in discussions with the director to determine what can be paid. Creditors will be updated on this in our next report.

Cash at Bank

- 5.15 The Company operated bank facilities with Lloyds Bank plc. We have requested that the account is closed and any balance be transferred to the Joint Administrators' account.

Leasehold / Trading Premises

- 5.16 The Company traded from two leasehold premises: Unit 1 Calder Trading Estate, 370 Bradford Road, Brighouse HD6 4DJ ("Brighouse") and Unit 6 Park Road Mills, Elland HX5 9HX ("Elland").
- 5.17 The lease relating to the premises at Brighouse was surrendered by the Company prior to the appointment of the Joint Administrators. It is, however, the understanding of the Joint Administrators that the Purchaser has entered into a new lease at the same premises.
- 5.18 The Joint Administrators issued a licence to occupy in respect of the trading premises at Elland for a period of three months in order to allow the Purchaser to continue to trade whilst making arrangements for the trading premises going forward, allowing for a possible assignment or agreement of new lease. Accordingly, the Purchaser has made payment of the existing agreed rent and utilities to the Joint Administrators, who have subsequently made payment to the landlord.

Retention of Title Claims ("ROT")

- 5.19 The Joint Administrators have not received any ROT claims to date.

Professional Advisors ("PA") and / or Subcontractors ("S") used

- 5.20 On this assignment the Joint Administrators have or are proposing to use the advisors detailed below. Please note that this refers only to instructions following appointment of the Joint Administrators. Those used prior to appointment are details at Section 9 of this report.

Name of Party	PA / S	Service Provided	Basis of Fees
Weightmans LLP	PA	General legal advice and security review.	Time costs
Elite Accountancy Services Limited	S	Assistance with preparation of the statement of affairs	Time costs capped at £2,500
Cerberus Receivables Management Limited	PA	Advice in relation to the collection of any surplus book debts	Time costs
Rodney Bay Limited	S	Assistance with collection of factored book debts	10% of collections
Alph4 Limited	S	Accountancy software assistance.	Set fee of £500
Consultium Property Limited	PA	Property audit to identify potential nondomestic rates refund	25% of realisations
Emprove Limited	S	Pension advice and preparation of RP15 and RP15a	Fixed fee of £100 plus £20 for each employee

Weightmans LLP ("Weightmans")

- 5.21 Weightmans were instructed prior to appointment (as detailed at Section 9 of this report) to assist the proposed Joint Administrators with their appointment. As a sale was agreed in principle prior to appointment, Weightmans then completed that sale alongside the appointment of the Joint Administrators. Some of this work has therefore been recorded post appointment.
- 5.22 Weightmans have also provided general advice to the Joint Administrators following their appointment.
- 5.23 In the event a court extension to the period of the administration becomes necessary, Weightmans will be asked to assist us with any required application to court. No costs have been factored into for the provision of this service at this stage, as at this stage it is not anticipated that this will be required.
- 5.24 Weightmans have been instructed due to their significant experience in dealing with similar insolvency matters, resulting in value for money of the work carried out, and having staff available with the appropriate skillset required to assist the Joint Liquidator with this matter. The fee proposed is considered to be fair and reasonable based on the level of time that will be spent in assisting the Joint Administrators with this matter.

Elite Accountancy Services Limited ("Elite")

- 5.25 Upon the director's request, Elite have been instructed to assist the director with preparation of his statement of affairs. Elite provided accounting services to the Company, including preparation of the recent management accounts, and therefore hold the requisite information and understanding in order to assist with the preparation of the statement of affairs.
- 5.26 Pursuant to rule 3.34 of the Rules, the Joint Administrators are required to contribute towards the costs of the preparation of the statement of affairs in such sum as they consider to have been reasonably incurred. Due to the relationship between Elite and the Company, it was determined that Elite had extensive knowledge of the Company and access to the information to ensure that the statement of affairs is prepared accurately and in a timely and therefore more cost effective manner.
- 5.27 The Joint Administrators consider that a capped fee of £2,500 plus VAT is fair and reasonable in light of the services to be provided.

Cerberus Receivables Management Limited ("CRM")

- 5.28 CRM, experienced debt collection agents who specialised in insolvency recovery scenarios, may be instructed to assist in the collection of any surplus book debts that may be reassigned to the Company follow collections by SBFL.

Rodney Bay Limited ("The Purchaser")

- 5.29 The Purchaser has been instructed to assist SBFL with the collection of the factored debts. This is because the staff that transferred under TUPE legislation hold a significant amount of knowledge that is required for the collection of a number of debts. It is believed that for the Joint Administrators to have carried out this work themselves or indeed instruct an independent party would have been more costly without this prior knowledge.

Alph4 Limited ("Alph4")

- 5.30 Alph4 host software that allow the Joint Administrators to store and analyse the electronic records of the Company, including the accounting software. This assists the Joint Administrators in carrying out their statutory investigations. A one time set fee of £500 plus VAT is charged, which the Joint Administrators believe to be fair and reasonable in order to store records and aid analysis.

Consultium Property Limited ("CAPA")

- 5.31 CAPA forensically analyses and interrogates property outgoings and accounts payable data to highlight potential errors which may result from the Local Authority in relation to non-domestic business rates. CAPA has a number of years' experience concluding property audits for Insolvency Practitioners. CAPA has been instructed to perform a property audit and investigation into refunds from payments of non-domestic business rates in relation to the trading premises.
- 5.32 The Joint Administrators believe that the fee of 25% of realisations is fair and reasonable in light of the services provided by CAPA as detailed above.

Emprove Limited ("Emprove")

- 5.33 Emprove are employment law consultants who specialise in dealing with employee related matters. Emprove have been instructed to assist with the processing of the claim for the outstanding pension contributions. This work has been subcontracted out by the Joint Administrators as the extensive experience and knowledge of Emprove has allowed them to put effective systems in place to ensure claims are dealt with as quickly as possible.
- 5.34 It is anticipated that this would be more cost effective than the Joint Administrators and their staff dealing with the pension matters. The Joint Administrators believe that a fee of £100 plus £20 for each employee thereafter VAT is fair and reasonable in light of the services provided by Emprove.
- 5.35 Details of this firm's policy regarding the use of associates, choice of advisors and the basis for their fees are given in Appendix H.

6 ACHIEVING THE PURPOSE OF ADMINISTRATION

- 6.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- (a) rescuing the Company as a going concern, or (if this cannot be achieved);
 - (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 (if (a) and (b) cannot be achieved);
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.

- 6.2 The first objective is not considered to be capable of being achieved given the extent of historic liabilities.
- 6.3 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration). While this objective is considered achievable in this case, in so far as asset realisations are greater than those anticipated had the Company been wound up, the mitigation of employee claims that would arise on insolvency through the transfer of staff to the Purchaser under TUPE and a mitigation of potential claims from the Company's finance creditors, it is unlikely that sufficient realisations will be achieved to enable a distribution to unsecured creditors, as a consequence of the level of the secondary preferential claims. In the opinion of the Joint Administrators, this objective is therefore unlikely to be achieved as there is little prospect of a dividend being available to unsecured creditors based on present information.
- 6.4 The third objective is to realise property in order to make a distribution to secured and / or preferential creditors. The third objective is likely to be achieved in this case as it is anticipated that SBFL will be paid in full under their fixed charge security and there will be funds available to for a distribution to the preferential creditors.
- 6.5 The Administration has been, and will continue to be, financed by monies received from asset realisations.

7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE

- 7.1 The Joint Administrators' Proposals for achieving the objective of Administration are attached at Appendix A.
- 7.2 Ordinarily the Joint Administrators would seek a decision from the Company's creditors as to whether they approve the Proposals. However, in this case, as there is little likelihood of a dividend being available for unsecured creditors and the Joint Administrators anticipate achieving the third objective as set out at section 6.4 above, there is no requirement to seek such a decision from creditors.
- 7.3 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the Joint Administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the Joint Administrators within 8 business days of the date on which this report was delivered. The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.
- 7.4 If such a decision is requisitioned, creditors will again be invited to consider the appointment of a creditors' committee and to vote on the Joint Administrators' Proposals as set out at Appendix A.
- 7.5 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 ("the Rules"). Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.
- 7.6 Once approved, the affairs of the Company will be managed in accordance with the Proposals and financed out of asset realisations.
- 7.7 Once the Administration has been finalised, and if there are insufficient funds available to allow a distribution to unsecured creditors, the Joint Administrators will file a Notice with the Registrar of Companies that the Company be dissolved. Alternatively, if there are assets still to be realised or investigations concluded but there will be no return to unsecured creditors, the Company may be placed into Compulsory Liquidation.

8 EXTENSION OF ADMINISTRATION

- 8.1 The appointment of Joint Administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.

8.2 In certain circumstances it may be necessary to extend the Joint Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding twelve months with the consent of:

- each secured creditor of the Company and preferential and secondary preferential creditors should they receive or be anticipated to receive a distribution; and
- if the company has unsecured debts, the unsecured creditors of the Company.

8.3 The Joint Administrators do not believe that an extension to the Administration will be necessary in this case based on their understanding of the case at this time. However, should circumstances change, the appropriate body of creditors will be contacted to seek the appropriate approval.

9 PRE-ADMINISTRATION COSTS

9.1 Pre-administration costs are defined as:

- Fees charged; and
- Expenses incurred

by the Administrator, or another person qualified to act as an insolvency practitioner before the Company entered Administration (but with a view to its doing so). "Unpaid pre-administration costs" are pre-administration costs which had not been paid when the Company entered Administration.

9.2 Time charged and expenses incurred by the Joint Administrators and their agents and solicitors in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount to be charged £	Amount paid £	Who payments made by	Amount unpaid £
Leonard Curtis	See 9.4 To 9.7	32,940.00	-	-	32,940.00
Leonard Curtis expenses	See 9.8	245.00	-	-	245.00
Cerberus Asset Management ("CAM")	See 9.9 To 9.10	3,000.00	-	-	3,000.00
Cerberus Receivables Management ("CRM")	See 9.11 To 9.12	3,000.00	-	-	3,000.00
Fitton & Co ("Fitton")	See 9.13 To 9.14	2,000.00	-	-	2,000.00
Weightmans	See 9.15 To 9.16	12,000.00* plus disbursements of 108.12	-	-	12,000.00 plus disbursements of 108.12
Total		53,293.12			53,293.12

*See note at 9.16 regarding Weightmans time costs.

9.3 Enclosed at Appendix D is an analysis of the Joint Administrators' pre-administration costs. The analysis shows that total pre-administration time costs of £33,286.00 have been incurred which represents 78.8 hours at a rate of £422.41. It should be noted that included in the time costs incurred, are time costs totalling £346.00 which have been incurred in dealing with administrative set up of the case that the Joint Administrators are not seeking approval to recover. Therefore, after deduction of the set-up costs, the amount the Joint Administrators are seeking recovery of is £32,940.00.

Work undertaken by Leonard Curtis and associated expenses

9.4 Details of the work undertaken by Leonard Curtis prior to the Joint Administrators' appointment are included at Appendix D.

- 9.5 The work undertaken prior to the Joint Administrators' appointment was deemed necessary to ensure that the Company's financial position and all options available to the Company were thoroughly reviewed and appropriately considered by the directors. This work included agreeing a pre-packaged sale of the Company's business and assets which maximised asset realisations, preserved the Company's goodwill and mitigated creditor claims, including employee claims, through the preservation of employees' jobs, as well as assisting in achieving the objective of the Administration.
- 9.6 This work was undertaken prior to the appointment of Administrators rather than after as a consequence of the opinions expressed by the instructed agents that selling the business and assets following Administration was not guaranteed to result in a better outcome and was likely to incur further professional costs. In addition, the fact that it was unlikely that there would be any monies available to fund the trading costs of an Administration were taken into account.
- 9.7 The Joint Administrators' pre-appointment fees have been incurred on a time cost basis as agreed with the Company pursuant to the terms of the engagement letter dated 21 September 2023, which was signed by the Company on the same date, confirming acceptance of the terms of the engagement.
- 9.8 The expenses incurred relate to the costs of advertising the sale of the Company on IP Bid. Further details of the advertising undertaken were provided in the SIP16 Report, appended to this report. These costs have been paid by the Joint Administrators' office and repayment is being sought as an expense of the Administration accordingly.

Work undertaken by CAM

- 9.9 CAM, RICS-registered independent asset valuers were formally instructed by the proposed Joint Administrators on 28 September 2023 as part of the marketing exercise to prepare an indicative valuation report in respect of the Company's physical assets in order to assist the Company in assessing the available options. The work carried out by CAM included:
- Assessment and valuation advice in relation to the Company's equipment and other assets;
 - Liaising with Leonard Curtis, and the directors, to obtain details of the Company's assets;
 - Providing assistance with the marketing of the business and assets; and
 - Recommendation of the offer received from the Purchaser.
- 9.10 It was necessary for a valuation to be prepared by CAM prior to the Joint Administrators' appointment in order that the strategy of the Administration could be fully considered and agreed to ensure that the purpose of the Administration could be achieved. CAM's advice and recommendation allowed for a sale of the business and assets to be completed which maximised asset realisations, preserved the employees' jobs and mitigated creditor claims.

Work undertaken by CRM

- 9.11 On 28 September 2023, the proposed Joint Administrators formally instructed CRM to prepare a valuation of the Company's work in progress. The work carried out by CRM included:
- Reviewing the work in progress;
 - Prepare a valuation report of the Company's work in progress;
 - Providing assistance with the marketing of the business and assets;
 - Holding discussions regarding the sale with the Purchaser specifically in relation to the work in progress; and
 - Recommendation on the offer received from the Purchaser.
- 9.12 It was necessary for a valuation to be prepared by CRM prior to the Joint Administrators' appointment to ensure the work in progress could be accurately reflected in negotiations with interested parties and ultimately the Purchaser. CRM's advice and recommendation allowed for a sale of the business and assets to be completed which maximised asset realisation.

Work undertaken by Fitton

- 9.13 Fitton are qualified chartered accountants registered in the UK by the Institute of Chartered Accountants in England and Wales. Fitton were formally instructed on 1 March 2023 to prepare a valuation report in respect of the goodwill of the Company. The work carried out included:
- Completion of the valuation in respect of the goodwill and preparation of a formal valuation report; and
 - Recommendation on the sale of the goodwill.
- 9.14 It was necessary for a valuation to be prepared by Fitton prior to the Joint Administrators' appointment to allow the strategy of the Administration to be fully considered and agreed to ensure that the purpose of the Administration could be achieved. Fitton's advice and recommendation allowed for a sale of the business and assets to be completed which included the goodwill.

Work undertaken by Weightmans LLP

- 9.15 Weightmans were formally instructed on 22 September 2023 to assist with the formalities of the Joint Administrators' appointment. The total time costs they incurred in undertaking the work required was £18,217, however they have agreed to restrict their fees to a capped sum of £12,000 plus Vat and disbursements. The work carried out included:
- Preparation of and filing of the two notice of intentions ("NOI") and the notice of appointment ("NOA"), and serving the same on the relevant parties;
 - Liaising with the director in regard to swearing the documentation and filing in court;
 - Providing general legal advice in respect of the Joint Administrators' appointment and appointment practicalities;
 - Drafting of the sale and purchase agreement and ancillary documents; and
 - Liaising with the Purchaser with regards to the sale agreement and the initial proceeds payment.
- 9.16 The work undertaken by Weightmans prior to the Joint Administrators' appointment was considered necessary to ensure that the Joint Administrators were validly appointed. The drafting of the sale and purchase agreement was required to ensure that the sale could complete immediately following the Administrators appointment, maximising asset realisations, preserving the 26 employees' jobs and mitigation of creditor claims.
- 9.17 The payment of unpaid pre-administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Joint Administrators' Proposals. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively will be by a decision of the general body of creditors.

10 JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

General

- 10.1 The basis of the Joint Administrators' remuneration may be fixed either as a percentage of the value of assets with which they have to deal ("a percentage basis"), as a set amount, or by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in a Fees Estimate. A combination of these bases may be fixed, with different bases being fixed in respect of different things done by the Joint Administrators. Additionally, where a percentage basis is fixed, different percentages may be fixed in respect of different things done by the Joint Administrators.

Approval by appropriate body

- 10.2 The Joint Administrators think that the Company has insufficient property to enable the secured creditor to be repaid in full under the fixed charge security and a nominal distribution to be made to the preferential creditor as detailed at Section 1.4 of this report. In such circumstances, it is for the Creditors' Committee to determine the basis of remuneration. If there is no Committee, or if the Committee fail

to make the requisite determination then the basis of remuneration must be fixed by a decision of the creditors.

- 10.3 The outcome of this decision will be reported to all creditors in due course.

Information to be given to creditors

- 10.4 The Joint Administrators wish, in this case, to seek the creditors' agreement to their remuneration being fixed by reference to the time properly given by them and their staff in attending to matters as set out in a Fees Estimate. Prior to seeking approval of this basis, the Joint Administrators are required to provide all known creditors with their Fees Estimate and details of the expenses that they consider will be, or are likely to be, incurred during the administration ("Statement of Likely Expenses").

The Fees Estimate

- 10.5 The Joint Administrators' Fees Estimate for the whole of the Administration is set out at Appendix E. It includes the following:

- Details of the work that the Joint Administrators and their staff propose to undertake;
- The hourly rate or rates that Joint Administrators and their staff propose to use; and
- The time that the Joint Administrators anticipate that each part of the work will take.

- 10.6 Details of the Joint Administrators' time costs to date have also been included for comparison purposes. In summary, time costs of £28,415 have been incurred to 24 November 2023 which represents 78.2 hours at a rate of £363.36 per hour.

- 10.7 The total amount of time costs as set out in the Fees Estimate is £75,556.50. Once approved by the appropriate body of creditors, the remuneration drawn by the Joint Administrators must not exceed this total amount without prior approval. It should be noted that in some instances, payment of these costs will be limited to the amount of realisations available in the administration and any excess time incurred but not recovered will be written off.

- 10.8 The Fees Estimate is based upon information currently available to the Joint Administrators. Based upon this information, the Joint Administrators do not anticipate that the Fees Estimate will be exceeded. However, should information come to light during the course of the administration which means that the Joint Administrators will be required to undertake work not envisaged at the time that the Fees Estimate was provided, it may be necessary for the Joint Administrators to revert to creditors for further approval.

- 10.9 Details of the firm's charge-out rates and policy regarding the recharge of expenses, staff allocation, support staff and the use of subcontractors are attached at Appendix H. Please be aware that the firm's charge out rates have been amended with effect from 1 March 2021.

- 10.10 Further guidance may be found in "Administration: A Guide for Creditors on Insolvency Practitioner Fees" (Version 1 – April 2021) which may be downloaded using the following link:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>.

- 10.11 If you would prefer this to be sent to you in hard copy please email recovery@leonardcurtis.co.uk or contact Amelia Blythe of this office on 0113 323 8890

Statement of Likely Expenses

- 10.12 The Joint Administrators' Statement of Likely Expenses is set out for creditor information at Appendix F. To assist creditors' understanding of this information of this information, it has been separated into the following categories:

- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
- (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in this particular case. Also, included within this category are costs that are directly referable to the Administration but

are not paid to an independent third party (and which may include an element of allocated costs). These are known as "Category 2 expenses" and they may not be drawn without the approval of the creditors in the same way as fees and creditors will be contacted directly in this respect. The basis of the calculation of their recharge is detailed in Appendix H.

- 10.13 The Joint Administrators are also required to disclose to those responsible for approving their remuneration whether any payments they intend to make from an insolvency estate are to associates of Leonard Curtis. Payments to associates are subject to the same level of approval as the office holder's fees and category 2 expenses. Details of this firm's policy regarding the use of associates and the level of their fees is given in Appendix H.

Further Updates

- 10.14 The Joint Administrators will provide creditors with an indication of whether the remuneration anticipated to be charged by them is likely to exceed the Fees Estimate, and if so the reasons for this, in their subsequent reports. Information will also be provided in subsequent reports on whether the expenditure detailed in the Statement of Likely Expenses has been or is likely to be exceeded and the reasons why.

11 ESTIMATED OUTCOME FOR CREDITORS

- 11.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix G.

- 11.2 The Estimated Outcome Statement assumes the following:

- a) That asset realisations are in line with those estimated at Appendix B;
- b) That the pre-appointment costs detailed at 9.2 are approved and paid in full;
- c) That the Joint Administrators' fees estimate (as detailed at Appendix E) is approved and is not exceeded; and
- d) That the expenses of the Administration are as set out in the Statement of Likely Expenses at Appendix F and are not exceeded.

- 11.3 In summary:

- Secured creditors – It is anticipated that SBFL will be repaid in full against their advances, however this does not take account of the potential termination charges and costs that could be applied against the account.
- Preferential creditors – At present, it is anticipated that there will be sufficient funds to enable a small distribution to preferential creditors, namely the Company's pension scheme, after allowing for the costs of the Administration.
- Secondary Preferential creditors – It is considered unlikely that there will be sufficient funds available to enable a distribution to secondary preferential creditors after the payment of costs in the Administration.
- Unsecured creditors – It is anticipated that there will be insufficient realisations to enable a distribution to the unsecured creditors.

12 RELEASE OF ADMINISTRATORS FROM LIABILITY

- 12.1 As soon as all outstanding matters in the Administration have been attended to it is anticipated that we will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically to dissolution.

- 12.2 The appointment of the Joint Administrators will cease as soon as this notice is issued.

- 12.3 It is for the creditors to fix the date upon which the Joint Administrators are discharged from liability in respect of any action of theirs during the Administration. The relevant form to enable you to consider this decision is attached at Appendix J of this report.

13 VOTING PROCEDURE AND CONCLUSION

- 13.1 It is important that you give careful attention to this report and its Appendices.
- 13.2 Details of all decisions to be made by creditors are included on Appendix I – Notice of a Decision Procedure by Correspondence. In order for your vote to count, you should ensure that your completed voting form (see Appendix J) has been delivered to the Joint Administrators on or before the Decision Date given on the front of this report and in Appendix I. Your vote should be accompanied by a proof of debt, unless one has previously been provided, failing which your vote may be disregarded.
- 13.3 Creditors' attention is drawn to Chapter 9 of Part 1 of the Rules, which detail the rules for delivery of documents.
- 13.4 Creditors will be notified of the outcome of the decision procedure in due course.

Should you have any queries or require any further clarification please contact Amelia Blythe at my office, in writing. Electronic communications should also include a full postal address.

for and on behalf of
CALDER METAL SPINNING COMPANY LIMITED



ANTHONY MILNES
JOINT ADMINISTRATOR

Anthony Milnes is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 23150 and Sean Williams is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 11270

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation ("CVL"). It is further proposed that that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators of the Company, and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65(3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that the Joint Administrators in office at the date of conversion to compulsory liquidation will become the Joint Liquidators of the Company, and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

APPENDIX B

ESTIMATED FINANCIAL POSITION AS AT 11 OCTOBER 2023

	Notes	Book value £	In Administration £
Assets specifically pledged			
Factored book debts	1	146,431	118,000
Goodwill, seller's records and domain name	2	Nil	5,000
less: Skipton Business Finance Limited (including termination charges in the Administration)	1	(101,559)	(131,137)
Deficit as regards fixed charge holder		<u>44,872</u>	<u>(8,137)</u>
Assets not specifically pledged			
Surplus from fixed charge holder	1	44,872	-
Plant and machinery	3	} 263,570	} 45,000
Ancillary tools	3		
Work in progress	4	5,228	2,000
Motor vehicles	5	3,013	4,000
Office equipment and office furniture	3	<u>1,543</u>	<u>1,000</u>
		<u>318,226</u>	<u>52,000</u>
Preferential creditors	6		
Pension scheme outstanding contributions (est.)			<u>(14,000)</u>
Estimated Surplus as regards preferential creditors			38,000
Secondary Preferential Creditors			
HM Revenue & Customs – VAT and employee's PAYE/ NI (est.)	7		<u>(597,722)</u>
Net property available for prescribed part			(559,722)
Less: Prescribed Part calculation (c/fwd.)	8		N/A
Available for floating charge creditor			
Skipton Business Finance Limited	1		<u>(8,137)</u>
Deficit as regards floating charge holder			(8,137)
Add back prescribed part (b/fwd.)	8		<u>N/A</u>
Available for unsecured creditors			(567,859)
Unsecured creditors			
H M Revenue & Customs – Other Taxes	9		(1)
Trade and expense creditors	10		<u>(264,466)</u>
Total value of unsecured creditors			<u>(264,467)</u>
Estimated deficiency as regards unsecured creditors			<u>(832,326)</u>

NOTES TO THE ESTIMATED FINANCIAL POSITION

All book values have been taken from the Company's latest financial information or from valuations obtained upon administration by independent valuers. It should be noted that no provision has been made for the costs and expenses of the administration.

Assets specifically pledged

1. Debtors

The value of the Company's book debts at appointment has since been confirmed by SBFL. This has been adjusted to reflect the final charges applied to the account.

As detailed in the main body of this report, SBFL hold a fixed and floating charge over all assets of the Company, including a fixed charge over book debts in the factoring account used by the Company. The value disclosed as being owed to SBFL reflects termination and collection charges incurred to date that they are entitled to levy.

It is anticipated therefore that there will be a nominal shortfall to SBFL.

2. Goodwill, domain name and Company records

The Company's financial statements did not attribute any value to the goodwill of the Company.

Fitton were instructed to undertake a valuation of the Company's goodwill. Fitton advised that the basis of the goodwill valuation focused on a multiple of profits method and attributed a value to the goodwill of between nil and £5,000, dependent on sale timelines.

The Purchaser's offer included £5,000 for the purchase of goodwill and Fitton recommended that this offer be accepted. Funds received to date in respect of the sale have been allocated proportionately against assets included in the accepted offer of the Purchaser.

Should there be a shortfall to SBFL under their fixed and floating charge, it is anticipated that SBFL will receive a distribution under their fixed charge of the amount received in respect of the goodwill, domain name and Company records. This will be subject to the agreement of relevant costs.

Assets not specifically pledged

3. Plant and machinery & ancillary tools and Office Equipment and Furniture

CAM provided valuations for the Company's plant and machinery, ancillary tools and office furniture and equipment. The plant and machinery and ancillary tools together had a book value in the last accounts of £263,570 and the office furniture and equipment of £1,543. Together, CAM valued these assets at a high value of £65,000 and a low value of £24,500.

The Purchaser's offer included £45,000 and £1,000 respectively in respect of these assets and was therefore accepted by the Joint Administrators on the recommendation of CAM.

4. Work In Progress ("WIP")

CRM were instructed to provide a valuation of the Company's WIP. CRM estimated a low case of £780 and a high case of £1,300 to be collectable. The low value considered the complete cessation of trade and that there was no pre-packaged sale.

The Purchaser's offer included £2,000 for WIP and other advice of CRM this offer was accepted by the Joint Administrators. Funds received to date in respect of the sale have been allocated proportionately against the assets included in the accepted offer of the Purchaser.

5. Motor Vehicles

CAM were instructed to provide a valuation of the Company's motor vehicles. CAM estimated a low case of £3,750 and a high case of £5,000 to be collectable. The low value considered the complete cessation of trade and that there was no pre-packaged sale.

The Purchaser's offer included £4,000 for motor vehicles and other advice of CRM this offer was accepted by the Joint Administrators. Funds received to date in respect of the sale have been allocated proportionately against the assets included in the accepted offer of the Purchaser.

Liabilities

6. Preferential Creditors

Where applicable, employees will be entitled to make claims (subject to certain limits) under the Employment Rights Act 2006 (ERA'2006) from the government department known as the Redundancy Payments Service ("RPS"). The employee claims may include arrears of pay, holiday pay, compensation in lieu of notice and redundancy. Where applicable, the RPS will make payments directly to the employees and then the RPS will lodge a claim against the Company in respect of the payments it has made.

At the date of the Joint Administrators' appointment, the Company had 26 employees who transferred to the Purchaser upon the completion of the business and assets sale pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). It is therefore not anticipated that there will be any claims in relation to arrears of pay, holiday pay, compensation of notice and redundancy.

The Joint Administrators understand that there are outstanding pension arrears due to the employees for a period leading up to the administration. It is estimated that outstanding contributions total c. £14,000, however this has not yet been confirmed by the scheme administrators.

7. Secondary Preferential Creditors

With respect to insolvencies commencing on or after 1 December 2020, HM Revenue and Customs ("HMRC") will rank ahead of floating charge holders and unsecured creditors in respect of certain unpaid taxes that the relevant company collects on behalf of HMRC. These taxes are known as Priority Taxes and include:

- VAT;
- PAYE (including student loan repayments);
- Construction Industry Scheme deductions ("CIS"); and
- Employees' NI contributions.

The liabilities to HMRC in respect of taxes that have secondary preferential status have been extracted from the Company's books and records as follows:

- PAYE/Employees NI and VAT – £597,722

This value should not be considered to be agreed.

HMRC will remain an ordinary unsecured creditor in respect of taxes that HMRC collects directly (e.g. corporation tax and employers' national insurance contributions). The unsecured HMRC debt is estimated, it is anticipated that this sum will be significantly higher.

8. Prescribed Part

The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, a prescribed part of the company's net property must be made available to the unsecured creditors and not be distributed to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims. The net property represents the assets available after the costs and expenses of the insolvency procedure and the discharge of preferential creditors' claims in full. No provision has been included within the estimated statement of affairs regarding the costs and expenses of the insolvency procedure.

The method of calculating the Prescribed part is given below:

Where the net property does not exceed £10,000 (the prescribed minimum) it may be considered that the cost of making a distribution is disproportionate to the benefits and no Prescribed part is required to be set aside.

Where the net property exceeds £10,000 the Prescribed part is calculated at a value of 50% of the first £10,000 plus a further 20% of the net property which exceeds £10,000, up to a maximum Prescribed part of £800,000 where the first ranking floating charge was created on or after 6 April 2020 (£600,000 if created before then).

Based upon the information currently available, it is estimated that although the secured creditor will be suffer a shortfall under its fixed charge element of their security there will be no funds available to set aside a Prescribed part fund due to the level of Secondary Preferential Creditors.

9. H M Revenue & Customs – Other Taxes (Corporation Tax / Capital Gains Tax)

As detailed above, HMRC will remain an ordinary unsecured creditor in respect of taxes that HMRC collects directly (e.g. corporation tax and employers' national insurance contributions). The unsecured HMRC debt is estimated, it is anticipated that this sum will be significantly higher.

10. Trade and expense creditors

Details of the Company's trade and expense creditors have been extracted from the Company's books and records as provided by the Company's director. A detailed list of these amounts has been provided below at Appendix B (continued). The values shown should not be regarded as agreed amounts.

CREDITORS LIST FOR THE ESTIMATED STATEMENT OF AFFAIRS / ESTIMATED FINANCIAL POSITION

Name	Address	Amount of debt £	Details of security held	Date of security	Value of security £
<u>Secured creditor</u>					
Skipton Business Finance Ltd	The Bailey, Skipton, North Yorkshire, BD23 1DN	101,559.39	Fixed and floating charge	29/06/2018	101,559.39
<u>Preferential creditors</u>					
National Employment Savings Trust	Nene Hall, Lynchwood Business Park, Peterborough PE2 6FY	14,000.00			
<u>Secondary Preferential creditors</u>					
HM Revenue & Customs	Debt Management - EIS C, HM Revenue and Customs BX9 1SH	597,722.00			
<u>Unsecured creditors</u>					
Business Enterprise Fund	City Hub, 9-11 Peckover Street, Little Germany, Bradford BD1 5BD	1.00			
A D Metal Spinning (Hx) Ltd – In liquidation	c/o 9 th Floor, 7 Park Row, Leeds LS1 5HD	57,697.45			
Acton Jennings LLP	The Old Co-operative Building, 53 Westfield Road, Wakefield, West Yorkshire WF4 6HU	6,949.95			
Adhesive Specialities Limited	Ticktape House, Bone Lane, Newbury, Berkshire RG14 5SH	3,000.00			
Advance Engineering (Hx) Limited	Park Road Buildings, Park Road, Elland, West Yorkshire HX5 9HP	417.60			
Alanod Limited	Chippenham Drive, Milton Keynes, Buckinghamshire MK10 0AN	4,263.00			
ALDERMORE BANK plc	1ST Floor Block D, Apex Plaza, Forbury Road, Reading RG1 1AX	9,950.00			
Allely (Rochdale) Limited	Units 8 to 9, Rochdale Ind. Centre Albion Road, Rochdale, Greater Manchester OL11 4JB	16,363.42			

Calder Metal Spinning Company Limited - In Administration

Amada UK Limited	Spennells Valley Road, Kidderminster, Worcestershire DY10 1XS	3,000.05
Ask	Sanderson House, 39 White Abbey Road, Bradford, West Yorkshire BD8 8EJ	149.33
B Widdop Pallets Ltd	255 Bradford Road, Brighouse, West Yorkshire HD6 4BN	629.94
Bargain Box	Crosland Moor Mills, Manchester Road, Huddersfield, West Yorkshire HD4 5AA	1,076.40
Bradford Bolt & Nut Co Ltd t/a BBN	Kimberley House, 1020 Leeds Road, Bradford, West Yorkshire BD3 8ET	198.37
Benjamin Whiteley & Sons Ltd	Park Road Mills, Elland, West Yorkshire HX5 9HX	39,181.15
BOC Limited	Priestley Road, Worsley, Manchester, Greater Manchester M28 2UT	4,534.91
Bradford Laser Cutting Ltd	Undercliffe Road, Idle, Bradford, West Yorkshire BD2 3DD	1,785.60
British Gas	Payment Area 90, Camberley, Surrey GU95 1AW	1,483.02
British Telecom	BT Business Accounts, Providence Row, Durham, County Durham DH98 1BT	317.13
Calderdale Council	Revenues Services, PO Box 51, Princess Buildings, Halifax, West Yorkshire HX1 1TP	15,568.98
Calls Warehouse		67.17
Capital Spings & Pressings Ltd	Commerce Way, Edenbridge, Kent TN8 6ED	6,294.00
Chris Lambert Engineering Ltd	38 Ryder Court, Newton Aycliffe, Durham DL5 4PB	2,408.40
Chubb Fire & Security Ltd	Littleton Road, Ashford, Middlesex TW15 1TZ	55.65
Claude Hellowell Ltd	Thorpe Garage, Triangle, Sowerby Bridge, West Yorkshire HX6 3DJ	4,767.27
Colour Co Limited	Unit 4 Holmfield Industrial Estate, Halifax, West Yorkshire HX2 9TN	9,120.05
Colour-Pro Powder Coatings	Ratcliffe Mills, Forge Lane, Dewsbury WF12 9BU	8,901.47
Dtx Network Services Ltd	Unit 5c Harewood Yard, Harewood, Leeds, West Yorkshire LS17 9SF	514.01

Calder Metal Spinning Company Limited - In Administration

Energas	Brownroyd Street, Thornton Road, Bradford, West Yorkshire BD8 9AF	2,479.69
Fit-Lock Systems Ltd	Kenann House, 32 Newby Road Industrial Estate, Hazel Grove, Stockport, Greater Manchester SK7 5DA	168.84
Ford Lease	Oakwood Drive, Emersons Green, Bristol BS16 7LB	895.97
Fuel Card Services Limited	Kingsway House, Kingsway, Burnley, Lancashire BB11 1 BJ	4,759.74
Halifax Bearings	Halifax Bearings, Unit 9 Margram Business Centre, Horne Street, Halifax HX1 5UA	71.64
HM Revenue & Customs	Debt Management - EIS C, HM Revenue and Customs BX9 1SH Suite 2 Park Lane Business Centre, 72 Park Lane, Poynton, Cheshire SK12 1RE	1.00
Inxpress	3 Owlerings Road, Brighouse, West Yorkshire HD6 1EJ	570.83
J & E Computers Ltd		154.80
JOHNSONS TEXTILE SERVICES T/A JOHNSONS WORKWEAR	Unit 12, Riverside Road, Leeds, West Yorkshire LS9 0RQ	962.22
JPN Autoparts	Alliance Automotive UK LV Ltd, Roydsdale House, Roydsdale Way, Euroway Industrial Estate, Bradford BD4 6SE	5.64
Lamplighter Plastic Mouldings Ltd	Victoria Works, Barton Road, Dukinfield, Cheshire SK16 4US	657.00
Manchester Van Hire	Trapston House, Travis Street, Manchester, Greater Manchester M1 2NG	1,263.65
Metal Finishing Supplies Ltd	North Street Industrial Estate, Bridgtown, Cannock, Staffs. WS11 0AZ	322.56
Metalcraft Laser Ltd	Unit 1b Bowling Park Close, West Bowling, Bradford, West Yorkshire BD4 7HG	801.60
MEWA UK Textile Services Ltd	Unit 44 Elmdon Trading Estate, Bickenhill Lane, Birmingham, West Midlands B37 7HE	17.48
MSC Industrial Supply Company	7 Pacific Avenue, Wednesbury, West Midlands WS10 7WP	80.70

Calder Metal Spinning Company Limited - In Administration

Orseal Ltd	Lynstock Way, Lostock, Bolton, Greater Manchester BL6	774.00
Planit Software Limited	1370 Montpellier Court, Gloucester Business Park, Gloucester, Gloucestershire GL3 4AH	2,901.77
Polishing Shop	Metal Finishing Supplies Ltd, North Street, Bridgtown, Cannock, Staffordshire WS11 0AZ	176.80
Premier Steel Stockholding Ltd	Croft Head Road, Whitebirk Industrial Estate, Blackburn, Lancashire BB1 5TB	20,298.42
R D Barrett Small Tools Ltd	Brow Mills Industrial Estate, Brighouse Road, Hipperholme Halifax , West Yorkshire HX3 8EF	549.98
R S Saw & Tooling Limited	Unit 6 Brow Mills Industrial Estate, Brighouse Road, Hipperholme, Halifax, West Yorkshire HX3 8EF	86.40
Richard Austin Alloys Northern Ltd	Unit 1 Loiner Court, Cross Green, Leeds, West Yorkshire LS9 0HE	1,370.16
Rowham Steel Products Limited	Lyons Road, Trafford Park, Manchester, Greater Manchester M17 1RF	18,470.74
S & S Steelstock Ltd	Dickens Street, Blackburn, Lancashire BB1 1RN	0.01
Sage (UK) Limited	North Park, Newcastle Upon Tyne, Tyne and Wear NE13 9AA	80.77
Salford Metal Finishing	Willow Bank Works, Whit Lane, Salford, Greater Manchester M6 6JJ	333.41
Silchrome Plating Ltd	Barra Garth Road, Leeds, West Yorkshire LS12 4JW	115.20
The Oily Rag Co.	159 Penistone Road, Kirkburton, Huddersfield, West Yorkshire HD8 0RB	60.00
Toyota Material Handling UK Ltd	706 Stirling Road, Slough Trading Estate, Slough, Berkshire SL1 4SY	936.00
Upton Steel	Shaw Lane, Markfield, Leicestershire LE67 9PU	1,096.82
V 1 Engineering Ltd	Unit 12 Mill Lane, Boothtown, Halifax, West Yorkshire HX3 6TR	2,879.40
V-Seal Limited	Unit 2 Park Road Mills, Park Road, Elland, West Yorkshire HX5 9HX	1,512.00
Vernon Moss (Electroplating) Ltd	Churchfields Works, Churchfield Road, Brighouse HD6 1DH	72.00

Calder Metal Spinning Company Limited - In Administration

Vodafone	Vodafone House, The Connection, NewburyBerkshire RG14 2FN	315.76
WESTFIELD FASTENERS LTD	WESTFIELD ROAD, LONG CRENDON, AYLESBURY HP18 9EW	11.93
William Hayes Ltd	Unit 1 Copley Valley Business Park, Copley Valley Road, Sowerby Bridge, West Yorkshire HX6 2WA	271.08
Y Lawlor		38.65
Yorkshire Water	PO Box 52, Bradford, West Yorkshire BD3 7YD	208.00
Employees	0 employees with a total debt of	N/A
Consumers	0 consumers with a total debt of	N/A
	Total creditors	<u>977,749.39</u>

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM
11 OCTOBER 2023 TO 30 NOVEMBER 2023

	Estimated Financial Position £	Received to date £
RECEIPTS		
Fixed Charge		
Financed Debtor Ledger	118,000	96,771.25
Less: Skipton Business Finance Limited	<u>(131,137)</u>	<u>(96,771.25)</u>
Fixed Charge Surplus / Shortfall	<u>(13,137)</u>	<u>Nil</u>
 Goodwill, domain name and Company records	 <u>5,000</u>	 <u>1,315.79</u>
 Floating Charge		
Surplus Financed Debtor Ledger	-	-
Plant and machinery & ancillary tools	45,000	11,842.10
Office equipment and furniture	1,000	263.16
Motor Vehicles	4,000	1,052.63
Work in Progress	<u>2,000</u>	<u>526.32</u>
	<u>52,000</u>	<u>13,684.21</u>
 PAYMENTS		
Bank charges		<u>2.50</u>
Floating charge balance		<u>13,681.71</u>
 BALANCE IN HAND (TOTAL)		 <u><u>13,681.71</u></u>
 Represented By		
Fixed charge assets		1,315.79
Floating charge assets		<u>13,681.71</u>
		<u>14,997.50</u>

The financed debtor ledger realisations are shown to provide an indication to creditors on realisations to date and therefore the likelihood of a return to the Administration estate of any surplus debts. For avoidance of doubt, the Joint Administrators are not holding these funds.

As detailed in the main body of this report, the Joint Administrators have received additional funds from the Purchaser in respect of the Licence to Occupy for the trading premises. These monies have subsequently been paid to the landlord. As these funds are not estate funds, they have not been included in the above receipts and payments account.

SUMMARY OF JOINT ADMINISTRATORS' PRE-ADMINISTRATION COSTS

	Total		Average
	Units	Cost	hourly rate
	No	£	£
Financial assessment	42	2,208.00	525.71
Strategy and purpose evaluation	527	21,981.00	417.10
Preparation of documents	148	5,770.00	389.86
Chargeholder	37	1,916.00	517.84
Court related issues	24	1,065.00	443.75
Administrative Set Up	10	346.00	346.00
	788	33,286.00	422.41

APPENDIX D (CONTINUED)

DETAILED ANALYSIS OF PRE-ADMINISTRATION COSTS

Financial Assessment

This category includes time spent analysing information to establish the Company's financial position to determine the most appropriate strategy for the Company and its creditors. Information was obtained from the Company's directors as part of this. An initial estimated outcome statement was prepared in order to determine the outcome from creditors. The information was also reviewed in conjunction with the various agents in order to consider the estimated value for any offers received.

Strategy & Purpose Evaluation

This category includes time spent in relation to the strategy and purpose evaluation. This included but was not limited to:

- Liaising with and having various meetings with the director of the Company and agents/solicitors on various matters including:
 - The strategy of the Administration. This included reviewing the outcome of the marketing of the business for sale, in addition to contingency planning in the event that a sale was not possible; and
 - Formalities of the Joint Administrators' appointment.
- Liaising with agents at CAM regarding the valuation and advice with regards to the physical assets;
- Liaising with agents at CRM regarding obtaining a review of the Company's work in progress to determine the collectability;
- Liaising with Fitton regarding a valuation of the goodwill;
- Liaising with Weightmans regarding preparation of the sale agreement documents and appointment documents;
- Review of the sale agreement and associated documentation;
- Correspondence with the Purchaser and agents to negotiate the terms of the offer and subsequent sale;
- Preparation of an estimated outcome statement to determine the outcome to creditors;
- Drafting a detailed strategy note, setting out the Company's financial position and the options considered; and
- Attending regular internal meetings to discuss the planning and strategy of the proposed Administration.

Preparation of Documents

This category includes time spent dealing with the formalities of the administration appointment, including but not limited to:

- Setting up case files to ensure that all statutory requirements are adhered to;
- Preparation of agents' instruction letters, as required;
- Review of the information held to be provided to interested parties;
- Review of the sale agreement and associated documentation (some time in relation to this work has also been recorded in the Strategy and Purpose Evaluation category); and
- Correspondence with the director to obtain the information required to assist with the preparation of reports and documentation for the administration process.

Chargeholder

This category includes time spent liaising with the Company's incumbent secured creditor and former secured creditor regarding the proposed strategy of the appointment and the management of the Company's cashflow prior to appointment. This also included liaising with the secured creditor in order to progress the sale process which involved obtaining a deed of release in respect of their security.

Court related issues

This category includes time spent relating to the filing of the notice of intention to appoint administrators ("NOI") and notice of appointment of administrators ("NOA"), including but not limited to:

- Review of the NOIs and NOA prepared by Weightmans;
- Liaising with the director in regard to the court documents; and
- Correspondence regarding the timing of the filing of the NOIs and NOA.

Administrative Set Up

This category includes time spent setting up Leonard Curtis's case files to ensure that all requirements were adhered to, including but not limited to:

- Circulation a conflict of interest email to all staff of Leonard Curtis;
- Completing AML procedures;
- Completion of internal documentation in relation to bribery legislation and ethical considerations; and
- Preparation of the letter of engagement.

The Joint Administrators are not seeking to recover the time recorded under this heading.

JOINT ADMINISTRATORS' FEES ESTIMATE INCORPORATING TIME INCURRED TO 24 NOVEMBER 2023

	FEES ESTIMATE			INCURRED TO 24 NOVEMBER 2023		
	Units	Cost	Average	Units	Cost	Average
	No	£	hourly rate	No	£	hourly rate
			£			£
Statutory and Review	166	5,925.00	356.93	28	851.50	304.11
Receipts and Payments	173	6,807.50	393.50	32	1,510.00	471.88
Insurance	73	2,552.50	349.66	19	628.50	330.79
Assets	176	7,483.50	425.20	51	2,258.00	442.75
Liabilities	589	21,152.50	359.13	288	10,266.00	356.46
Landlords	181	8,714.00	481.44	106	5,167.00	487.45
Debenture Holder	45	1,965.00	436.67	5	232.50	465.00
General Administration	100	3,271.00	327.10	34	973.00	286.18
Appointment	101	3,035.50	300.54	92	2,578.00	280.22
Planning and Strategy	44	1,722.50	391.48	9	265.50	295.00
Post Appt Creditor Decisions	215	8,000.00	372.09	118	3,685.00	312.29
Investigations	143	4,927.50	344.58	28	851.50	304.11
	2,006	75,556.50	376.65	782	28,415.00	363.36

JOINT ADMINISTRATORS' FEES ESTIMATE

DETAILS OF WORK PROPOSED TO BE UNDERTAKEN

Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These will be carried out periodically throughout the life of the case. In the early stages of the case this will involve weekly team meetings to discuss and agree case strategy and a month 1 review by the firm's Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses, the Joint Administrators and their staff will as a minimum carry out three monthly and six monthly reviews to ensure that the case is progressing as planned;
- Allocation of staff, management of staff, case resourcing and budgeting. Where work ordinarily done at a lower level is more complex, this will be done at a higher level to ensure accuracy;
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice;
- Review of directors' statement of affairs and filing of document at Companies House in accordance with statutory requirements; and
- Completion of case closing procedures at the end of the case.

To date the following work has been undertaken:

- Allocation of staff, case resourcing and budgeting;
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9; and
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice.

Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank accounts;
- Management of case bank account to ensure compliance with relevant risk management procedures;
- Regular review of case bank account by senior member of staff to ensure that fixed and floating charge assets have been properly identified;
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports. If the Administration progresses as envisaged, this will be for one progress report and a final report, as well as that included in this report;
- Timely completion of all post appointment tax and VAT returns; and
- Managing estate expenses.

To date the following work has been undertaken:

- Opening case bank accounts;
- Dealing with transactions and recording them on the estate account; and

- Preparation of the receipts and payments account included in this Proposal.

Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Periodic review of insurance requirements over physical assets, to minimise costs to the estate;
- Calculation and request of Joint Administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to preferential and unsecured creditors;
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; liaising with pensions providers to understand the nature of the scheme, and submitting claims to the Redundancy Payments Service for reimbursement of unpaid contributions to the scheme; and
- Liaising with pension companies to arrange for prompt wind up of schemes.

To date the following work has been undertaken:

- Calculation of the Joint Administrators' bond;
- Completion of and submission of statutory notifications under the Pensions Act 2004; and
- Notification to insurers of appointment and requesting open cover of assets following appointment. This was then cancelled on the sale of the business and assets of the Company

Assets

The work set out in this category may bring a financial benefit for creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be set aside for the benefit of unsecured creditors) or may, depending on realisations, costs and the extent of any 3rd party security, result in a distribution to the preferential and / or unsecured creditors.

- Agreeing strategy for realisation of Company assets:
 - Business and assets – liaising with Weightmans and the Purchaser regarding the completion of the sale of the business and assets; and
 - Book debts – liaising with SBFL, Weightmans, CRM and the Purchaser regarding the collection of the book debts and any subsequent reassignment to the Company.
- Instruction of and liaising with agents as required. The Joint Administrators may be required to instruct collection agents to assist should there be any surplus of book debts available to the Administration; and
- Liaising with Company's bankers regarding pre-appointment bank accounts;

To date the following work has been undertaken:

- Liaising with the Joint Administrators' solicitor and the Purchaser regarding the completion of the sale of business and assets;
- Liaising with the Purchaser in regard to the deferred consideration;
- Corresponding with SBFL and the Purchaser over the collections exercise in respect of Book debts; and
- Liaising with the Company's banker regarding the account balance.

Liabilities

This category of time includes both statutory and non-statutory matters and will not necessarily bring any financial benefit to creditors generally. The more employees and creditors a company has, the more time and cost will be involved in dealing with those claims.

Statutory

- Processing of claims from the Company's creditors. The Company has 64 known creditors. All claims received from creditors will be logged as received and acknowledged where requested. Based upon the information currently available, it is anticipated that there will be insufficient funds available to allow a dividend to be paid to unsecured creditors. Accordingly, claims will not be formally agreed at this stage;
- Preparation, review and submission of pre-appointment tax and VAT returns where appropriate; and
- Preparation and submission of periodic progress reports to creditors – It is anticipated that three statutory reports will be issued, this includes the Proposals (this report), a progress report and a final report.

Non-statutory

- Dealing with enquiries from the Company's creditors – this includes correspondence with creditors via email, post and telephone.

To date the following work has been undertaken:

- Completion and delivery of the SIP16 report to creditors; and
- Recording and responding to creditor claims received.

Landlords

The work summarised below will not necessarily result in any financial benefit for all creditors but is required to ensure that the Company's affairs are dealt with in an orderly and efficient manner.

- Review of current leases in respect of Company premises;
- Liaising with landlords in respect of premises and licence to occupy issued to the Purchaser; and
- Payment of lease liabilities, including utilities, for period of licence to occupy.

The above work has been carried out and will continue to be until the licence to occupy expires or the Purchaser makes arrangements with the landlord, whichever comes first.

Debenture Holder

The Joint Administrators are required to liaise directly with the charge holder in respect of their security and associated realisations. This is particularly of relevance in this matter as SBFL operate an invoice finance facility, over which they have control. The Joint Administrators are therefore required to correspond with SBFL in order to provide information where necessary and also to understand whether any return is likely for the benefit of the Administration estate as a whole.

Furthermore, should there be a shortfall to SBFL from collections of the debtor ledger, the Joint Administrators may seek to pay a distribution of the proceeds of the sale of the goodwill, which is also an asset falling under the fixed charge held.

To date, the Joint Administrators have been in correspondence with SBFL in relation to collections to date, details of which are included in the main body of this report.

General Administration

This category of work does not result in a direct financial benefit for creditors; however it is necessary for these tasks to be completed in order to ensure the smooth and efficient progression of the Administration:

- General planning matters;
- Setting up and maintaining the Joint Administrators' records;
- Arranging collection and storage of company records; and
- Dealing with general correspondence and communicating with the director and shareholder.

To date the following work has been undertaken:

- Correspondence regarding the preparation of the director's statement of affairs; and
- General correspondence with the director.

Appointment

There are certain tasks which the Joint Administrators have a statutory obligation to undertake during the Administration process. Other tasks are completed in order to ensure the Administration is progressed to the benefit of all creditors and stakeholders. Actions completed to date are both statutory and non-statutory and include the following; they will not result in a direct financial benefit for creditors:

- Statutory notifications to creditors and other interested parties following the Joint Administrators' appointment; and
- Preparation and circulation of the Joint Administrators' Statement of Insolvency Practice 16 report.

This has been carried out following appointment. It is not anticipated that any further time will be recorded under this heading.

Planning and Strategy

At the outset of the Administration, the Joint Administrators formulate a strategy for the progression of the Administration. This strategy is updated as the case progresses and again when the Administration can be brought to an end. Internal meetings are held as part of this.

Post Appointment Creditors' Decisions

This category of activity encompasses work undertaken for statutory reasons. This work will not directly result in any financial benefit for creditors.

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the Administration;
- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (England and Wales) Rules 2016;
- Convening a decision by correspondence to agree Fees Estimate with appropriate body of creditors. As a decision has been convened with this report, the Joint Administrators and their staff will be required to monitor any votes received and record them; and
- Reporting on outcome of voting.

To date the following work has been undertaken:

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the Administration;
- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (England and Wales) Rules 2016; and
- Convening a decision by correspondence to agree Fees Estimate with appropriate body of creditors.

Please note that not all the time associated with the above tasks is recorded in the time summary above.

Investigations

Some of the work Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 ("CDDA") and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations. It may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Joint Administrators can pursue for the benefit of creditors.

- Collecting and reviewing the Company's records, including reviewing the Company's pre appointment bank account and the application of any loans received under that Business Interruption Loan;
- The team is required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of all directors involved in the Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years; and
- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the Company Directors Disqualification Act 1986.

To date, the relevant records have been requested from third parties to allow the Joint Administrators to progress their investigations.

JOINT ADMINISTRATORS' STATEMENT OF LIKELY EXPENSES

Standard Expenses

Type	Description	Amount £
Bond Fee	Insurance bond	100
Document Hosting	Hosting of documents for creditors	70
Software Licence Fee	Case management system licence fee	87
Statutory Advertising	Advertising	96
Storage Costs	Storage of books and records	100
Post redirection	Redirection of post	125
	Total standard expenses	578

Case Specific Expenses

Type	Description	Amount £
Weightmans LLP	Costs for completing the sale of business and providing general legal advice	2,500
Cerberus Receivables Management Ltd	Costs in assisting with collection of any surplus book debts	750
Elite Accountancy Services Limited	Assistance with the preparation of the statement of affairs.	2,500
Alph4 Limited	Software for harvesting Company accounting software and analysis.	500
Cosultium Property Limited	Property audit to identify potential non-domestic rates refund	25% of realisations
Emprove Limited	Pension advice and preparation of RP15 and RP15a	620
Eddisons Insurance Services Limited	Insurance of Company assets	250
	Total case specific expenses	7,120

ESTIMATED OUTCOME STATEMENT

	Secured	Preferential	Secondary Preferential	Unsecured
	£'000	£'000	£'000	£'000
Amount estimated to be available to class of creditor	123	1	Nil	Nil
Amount due to creditor per Appendix B	131	14	598	264
Estimated dividend rate (as a %)	93.9%	7%	N/A	N/A

Leonard Curtis policy regarding fees and expenses

The following Leonard Curtis policy information is considered to be relevant to creditors:

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by the appropriate body of creditors that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to request and obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rates given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

	6 Jan 2014 onwards		1 Aug 2019 onwards		1 March 2021 onwards	
	Standard	Complex	Standard	Complex	Standard	Complex
	£	£	£	£	£	£
Director	450	562	525	656	550	688
Senior Manager	410	512	445	556	465	581
Manager 1	365	456	395	494	415	518
Manager 2	320	400	345	431	365	456
Administrator 1	260	325	280	350	295	369
Administrator 2	230	287	250	313	265	331
Administrator 3	210	262	230	288	245	306
Administrator 4	150	187	165	206	175	219
Support	0	0	0	0	0	0

In respect of assignments pre-dating 1 March 2022, office holders' remuneration may include costs incurred by the firm's in-house legal team, which may be used for non-contentious matters pertaining to the insolvency appointment.

Use of Associates

We are required to disclose to those responsible for approving our remuneration whether any payments we intend to make from an insolvency estate are to Associates of Leonard Curtis (LC). The term "Associate" is defined in s435 of the Insolvency Act 1986, but we are also required to consider the substance or likely perception of any association between the appointed insolvency practitioner, their firm (LC) or an individual within the firm and the recipient of a payment. Payments to Associates are subject to the same level of approval as the office holder's fees and category 2 expenses (see table on the next page for further details).

Leonard Curtis Legal Limited (LC Legal) are part of the Leonard Curtis group; as such they are an "Associate" of LC. Where LC Legal are instructed to assist an office-holder in a particular matter from 1 March 2022 onwards, details of their proposed costs will be provided to creditors and specific approval for payments to associates will be sought.

Additionally, Pelstar Limited (Pelstar) provides insolvency case management software and document hosting facilities to LC. Until 31 December 2022, LC employed an individual who is married to a director of Pelstar, and as such, whilst not meeting the legal definition of "Associate", we were aware that there was a perceived association between LC and Pelstar and specific approval of their costs were sought accordingly. As this individual is no longer employed by LC, this is no longer required and Pelstar costs invoiced with effect from 1 January 2023 will be paid without prior approval.

Use of Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Use of Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Categorisation of Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount																								
AML checks via Smartsearch	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search. Note that with effect from 1 April 2021, these costs are no longer recovered from the estate.																								
Bond / Bordereau fee via AUA Insolvency Services	Insurance bond to protect the insolvent entity against any losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches via Companies House	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting via Pelstar Limited	Hosting of documents via a secure portal for access by creditors/shareholders. Costs are charged per upload plus VAT and are generally dependent upon the number of creditors. The costs are commensurate with those charged by other providers of comparable services.	<table> <tr> <th>Type</th><th>First 100</th><th>Each addtl 10</th></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IYA</td><td colspan="2">£10 pa or £25 for life of case</td></tr> </table>	Type	First 100	Each addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IYA	£10 pa or £25 for life of case	
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CVA	£10.00	£1.00																								
BKY	£10.00	£1.00																								
IYA	£10 pa or £25 for life of case																									
Software Licence fee hosting via Pelstar Limited	Payable to software provider for use of case management system. The costs are commensurate with those charged by other providers of comparable services.	£87.00 plus VAT per case																								
Postage via Royal Mail or Postworks	Cost of posting documents which are directly attributable to a case to external recipients	Calculated in accordance with applicable supplier rates and dependent on the number of pages and whether the document is sent by international, first or second class post.																								
Post re-direction via Royal Mail	Redirection of post from Company's premises to office-holders' address	0-3 months £216.00 3-6 months £321.00 6-12 months £519.00																								
Statutory advertising via advertising agents	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£91.80 - £102.00 plus VAT per advert. Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include but may not be restricted to:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions. Where the solicitor appointed is LC Legal, any fee payable for work completed is classed as a payment to an associate and	Time costs plus disbursements plus VAT

	requires specific creditor / committee approval as detailed above.	
Other expenses	See Category 1 and 2 expenses notes below	See Category 1 and 2 expenses notes below

Please note that expenses are generally categorised as Category 1 or Category 2:

- a) Category 1 expenses: These are payments to independent third parties providing the service to which the expense relates. These may include, for example, advertising, external room hire, storage costs, postage costs, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 expenses may be paid without prior approval.
- b) Category 2 expenses: These are costs that are directly referable to the appointment in question, but not paid to an independent third party. They may include costs which have an element of shared cost. The following items of expenditure are recharged on this basis and are charged at HMRC approved rates:
- Business mileage : 45p per mile

Payments to Associates (as defined above) are categorised by LC in the same way as Category 2 expenses. Category 2 expenses and payments to Associates may only be drawn if they have been approved in the same manner as an office holder's remuneration.

NOTICE OF A DECISION PROCEDURE BY CORRESPONDENCE

Re: CALDER METAL SPINNING COMPANY LIMITED (IN ADMINISTRATION) ("the Company")

Previously known as: N/A

Registered number: 00429221

Court details: High Court of Justice Business and Property Courts in Leeds - Company & Insolvency List (CHD) Court Ref: CR-2023-LDS-000849

NOTICE TO CREDITORS OF A DECISION PROCEDURE TO BE CONSIDERED BY CORRESPONDENCE

IN ACCORDANCE WITH RULES 15.8 AND 18.18 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016

We, Anthony Milnes and Sean Williams, of Leonard Curtis, 9th Floor, 7 Park Row, Leeds LS1 5HD, were appointed Joint Administrators of the Company on 2023-10-11.

NOTICE IS HEREBY GIVEN pursuant to Rules 15.8 and 18.18 of the Insolvency (England and Wales) Rules 2016 that the creditors are being asked to make a decision as to whether they agree the basis of the Joint Administrators' remuneration and approve four other decisions by way of correspondence.

To participate in the vote creditors will need to have delivered a completed voting form to my office at 9th Floor, 7 Park Row, Leeds LS1 5HD or via email to amelia.blythe@leonardcurtis.co.uk by 23:59pm on 19 December 2023 (the Decision Date) together with a proof of debt form if one has not previously been lodged. Failure to deliver a proof of debt will result in your vote being disregarded.

NB. Creditors' attention is drawn to Chapter 9 of Part 1 of the Rules, which detail the rules for delivery of documents.

The resolutions to be considered are:

1. In the absence of a creditors' committee, that the remuneration of the Joint Administrators be fixed by reference to time properly spent by them and their staff in attending to matters as set out in the Fees Estimate (for an amount not exceeding £75,556.50).
2. That the unpaid pre-administration costs as detailed in the Joint Administrators' Statement of Proposals (totalling £53,293.12) be approved for payment as an expense of the Administration.
3. That the basis of the recharge of the Joint Administrators' category 2 expenses and payments to associates be payable by reference to the information set out in the Joint Administrators' Statement of Proposals and that they be authorised to pay or be reimbursed such expenses as and when funds permit.
4. That the Joint Administrators be discharged from liability in respect of any action(s) of theirs as Administrators pursuant to the provisions of paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, immediately upon their appointment ceasing to have effect.

Statutory Information and Creditors' Entitlement To Vote

In accordance with Rule 15.8 of the Insolvency (England and Wales) Rules 2016 please be aware of the following information:

- Creditors are only entitled to vote if they have delivered a proof of debt prior to the decision date and the claim has been accepted in whole or in part, together with a voting form. Whilst I am permitted to agree claims below £1,000 without a proof of debt, a creditor whose claim is less than £1,000 is not able to vote without having lodged a proof of debt. Creditors who have opted out from receiving notices may, nevertheless, vote if a proof of debt has been lodged.

- Creditors must deliver their voting form no later than 23:59pm on 19 December 2023 (the Decision Date). Forms should be posted to Calder Metal Spinning Company Limited at Leonard Curtis, 9th Floor, 7 Park Row, Leeds LS1 5HD. Alternatively voting forms can be faxed to 0113 323 8891 or submitted by email to amelia.blythe@leonardcurtis.co.uk.
- I am obliged to advise creditors that applications to have any decision reviewed must be made to High Court of Justice Business and Property Courts in Leeds - Company & Insolvency List (CHD) under reference CR-2023-LDS-000849. Any such application should be made within 21 days of the decision date.
- If creditors are not satisfied with the decision procedure being used, they may request a physical meeting be convened providing their claim is 10% of the value of the creditors or 10% of the number of creditors request the same or 10 individual creditors request that a meeting be convened. All requests to hold a physical meeting should be made in writing but can be made by email to Leeds.meetingreq@leonardcurtis.co.uk. Requests for a physical meeting should be made within five business days of delivery of this notice.

01/12/2023
Dated _____

Signed  _____
ANTHONY MILNES
JOINT ADMINISTRATOR

Contact details

Anthony Milnes and Sean Williams
Leonard Curtis
9th Floor
7 Park Row
Leeds
LS1 5HD
Tel: 0113 323 8890

VOTING FORM FOR CREDITORS

Re: CALDER METAL SPINNING COMPANY LIMITED (IN ADMINISTRATION) ("the Company")
Previously known as: N/A
Registered number: 00429221
Court details: HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN LEEDS -
COMPANY & INSOLVENCY LIST (CHD) REF: CR-2023-LDS-000849

Please indicate whether you are in favour or against each of the decisions set out below.

Please note that this form should be returned prior to 23:59pm on 19 December 2023 to my offices at 9th Floor, 7 Park Row, Leeds LS1 5HD. Alternatively the form can be faxed to Leonard Curtis on 0113 323 8890 or submitted by email to amelia.blythe@leonardcurits.co.uk. In order for your vote to be valid a proof of debt should also have been lodged.

RESOLUTIONS TO BE CONSIDERED

Decision 1

In the absence of a creditors' committee, the remuneration of the Joint Administrators be fixed by reference to time properly spent by them and their staff in attending to matters as set out in the Fees Estimate (for an amount not exceeding £75,556.50.

I am *in Favour / Against

Decision 2

That the unpaid pre-administration costs as detailed in the Joint Administrators' Statement of Proposals (totalling £ 53,293.12) be approved for payment as an expense of the Administration.

I am *in Favour / Against

Decision 3

That the basis of the recharge of the Joint Administrators' category 2 expenses and payments to associates be payable by reference to the information set out in the Joint Administrators' Statement of Proposals and that they be authorised to pay or be reimbursed such expenses as and when funds permit.

I am *in Favour / Against

Decision 4

That the Joint Administrators be discharged from liability in respect of any action(s) of theirs as Administrators pursuant to the provisions of paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, immediately upon their appointment ceasing to have effect.

I am *in Favour / Against

*delete as appropriate

TO BE COMPLETED BY CREDITOR:

Dated: _____

Signed: _____

Name of creditor: _____

Position: _____

Proof of Debt – General Form
Relevant date: 11 October 2023

recovery@leonardcurtis.co.uk quoting ref: CP42L/ABL/PROOF

Name of Company in Administration:

Calder Metal Spinning Company
Limited

Company registered number:

00429221

1. Name of creditor (if a company, provide
registration number)

2. Correspondence address of creditor
(including email address)

3. Total amount of claim (£) at relevant date
(include any Value Added Tax)

4. If amount in 3 above includes outstanding
uncapitalised interest, state amount (£)

5. Details of how and when the debt was
incurred (if you need more space attach a
continuation sheet to this form)

6. Details of any security held, the value of the
security and the date it was given

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

8. Details of any document by reference to which the debt relates

9. Signature of creditor (or person authorised to act on the creditor's behalf)

10. Date of signing:

11. Address of person signing (if different from 2 above)

12. Name in BLOCK LETTERS

13. Position with, or relation to, creditor

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.
3. Please e-mail completed form to:

recovery@leonardcurtis.co.uk quoting ref: CP42L/ABL/PROOF

NOTICE OF AN INVITATION TO CREDITORS TO FORM A CREDITORS' COMMITTEE


In the:	HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN LEEDS - COMPANY & INSOLVENCY LIST (CHD)	No:	CR-2023-LDS-000849
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Re:	CALDER METAL SPINNING COMPANY LIMITED (IN ADMINISTRATION)
Previous Name:	N/A
Registered No:	00429221

Address of Company	UNIT 1 CALDER TRADING ESTATE, 370 BRADFORD ROAD, BRIGHOUSE, WEST YORKSHIRE HD6 4DJ
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NOTICE IS HEREBY GIVEN, IN ACCORDANCE WITH PARAGRAPH 57 OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986, RULE 3.39 AND PART 17 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016, THAT creditors are invited to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of that committee. Anthony Milnes and Sean Williams invite creditors to put forward their nominations for membership of the committee. Such nominations must be received by the date specified in this notice. The Joint Administrators can only accept nominations if they are satisfied as to the creditors' eligibility under Rule 17.4 of the Insolvency (England and Wales) Rules 2016.

Nominations must be received by: 19 December 2023
and should be delivered to: Anthony Milnes and Sean Williams
9th Floor
7 Park Row
Leeds
LS1 5HD
Tel: 0113 323 8890
Email: recovery@leonardcurtis.co.uk

Signed:		Dated:	01/12/2023
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Creditors are referred to section 1.14 of this report for a link to guidance for creditors as to the **roles, duties and responsibilities of members of creditors' committees**.

Under Rule 17.4, a creditor is eligible to be a member of such a committee if they have proved for a debt, which is not fully secured, and the proof has not been wholly disallowed for voting purposes or rejected for the purposes of distribution or dividend. A body corporate may be a member of a committee, but it cannot act otherwise than by a duly appointed representative. No person can be a member as both a creditor and a contributory.

APPENDIX M

INFORMATION IN RELATION TO THE PRE-PACKAGED SALE
OF THE BUSINESS AND ASSETS IN ACCORDANCE WITH
THE PROVISIONS OF STATEMENT OF INSOLVENCY PRACTICE 16

TO ALL CREDITORS
TO ALL EMPLOYEES
TO THE INSTITUTE OF CHARTERED ACCOUNTANTS
IN ENGLAND AND WALES

Please ask for : Amelia Blythe
Our ref : E/53/ABL/CP42L/1040
Your ref :

17 October 2023

Dear Sir(s)/Madam

CALDER METAL SPINNING COMPANY LIMITED - IN ADMINISTRATION ("**THE COMPANY**")
HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN LEEDS - COMPANY &
INSOLVENCY LIST (CHD) NO. CR-2023-LDS-000849
COMPANY NUMBER: 00429221

I write to advise you that Sean Williams and I were appointed as Joint Administrators of the Company on 11 October 2023. Attached is formal Notice of our Appointment.

You are receiving this notice because the Company's records show that you are a creditor of the Company. The Company's creditors will fall into one of the following categories:

- Secured creditors – a creditor who has the benefit of a security interest over some or all of the assets of the Company (e.g. banks, factoring providers);
- Preferential creditors – creditors who have a preferential right to payment out of the Company's assets once realised (e.g. employees in respect of arrears of pay and holiday pay, subject to certain limits);
- Secondary preferential creditors - creditors who have a secondary preferential right to payment out of the Company's assets once realised (e.g. HM Revenue & Customs for any claims in respect of VAT, PAYE (including student loan repayments), Employees' NI contributions and CIS deductions); and
- Unsecured creditors – a creditor other than a preferential creditor or secondary preferential creditor that does not have the benefit of any security interests in the assets of the Company (e.g. ordinary trade suppliers; employees (to the extent that their claims are not preferential).

In our role as Joint Administrators, we are obliged to perform our functions and responsibilities in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors (including secondary preferential creditors), we have a duty not to unnecessarily harm the interests of creditors as a whole.

Where a sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an Administrator and the Administrator effects the sale immediately on, or shortly after, appointment this is known as a pre-packaged sale or "pre-pack".

Statement of Insolvency Practice 16 requires administrators to provide creditors with a detailed explanation and justification of why a pre-packaged sale was undertaken, so that creditors can be satisfied that

we have acted, where necessary, with due regard for their interests. Additional statutory obligations are placed upon Administrators (and the purchaser) where a pre-packaged sale is agreed to a connected party (as defined in para 60(A)(3) of Schedule B1 to the Insolvency Act 1986).

In this case, a sale of the Company's business and assets to Rodney Bay Ltd ("the Purchaser") was completed on 11 October 2023. Set out at Appendix A is a summary of the circumstances and information relevant to this sale that we are required to disclose. Note that the sale was to a connected party. The director and shareholder of the Purchaser was an employee of the Company and is wife of the Company's director and ultimate beneficiary.

With regard to orders placed by the Company prior to Administration but not yet delivered, suppliers should obtain confirmation from the Purchaser that the goods or services are still required and, if so, an order may be placed with the purchasing company. It should be noted that goods sold and delivered by the Company since Administration commenced must be paid for in full and cannot be set off against any claims against the Company.

You will appreciate that, as a result of the Administration, your previous account with the Company is frozen and neither the Administrators nor the Purchaser are in a position to deal with claims of unsecured creditors. Nevertheless, we should be grateful if you would let us have a detailed account of the amount owing to you as at the date of Administration. Your account, and any future correspondence in connection with the Company, should be sent to our address. Please remember to provide your full name, address, telephone number and email address for our records. If you are claiming title to goods supplied by you, please let us have full details, including your conditions of sale. If you believe you have a claim to goods it is imperative that you contact us as soon as possible and, if necessary, arrange a date to identify the goods in question. Failure to do so may prejudice your claim if any goods to which you claim title have been sold. We will not be liable in the event that goods are sold prior to notice of any valid retention of title claim being received.

Under the provisions of Paragraph 43 of Schedule B1 to the Insolvency Act 1986 ("the Act") no steps may be taken by any creditor to enforce any security over the Company's property or to repossess goods in the Company's possession under any hire purchase agreement (which includes conditional sale agreements, chattel asset leasing agreements and retention of title agreements) without the consent of the Joint Administrators or leave of the Court.

Also, no other proceedings and no execution or other legal process may be commenced or continued, and no distress may be levied against the Company or its property except with the consent of the Joint Administrators or leave of the Court.

Where a pre-packaged sale has been undertaken, the Administrators should circulate their Proposals as soon as practicable after appointment, and where possible with this notification. We are currently assessing the position with regards to intercompany balances with associated companies, the outcome of which will impact the outcome for creditors of the Company. We are currently in the process of formulating our proposals and these along with details of a decision procedure for their approval will be sent to creditors as soon as practicable. At that time, the Joint Administrators will be seeking, from the appropriate body of creditors, approval of the basis upon which their remuneration is to be calculated. A Creditor's guide to Administrators' fees (Version 1 issued 1 April 2021), which sets out the rights of creditors in this respect, is available from our office free of charge or may be downloaded from:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/>

You are also encouraged to read the following, which provides a step by step guide designed to help creditors navigate through an insolvency process:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/28872/page/1/administration/>

If you have any information regarding the conduct of the director which you feel should be brought to our attention, any concerns regarding the way in which the Company's business has been conducted or information on potential recoveries or any particular matters which you consider require investigation, please send full details to this office at the address given below. This request forms part of our statutory investigation procedures and does not necessarily imply any criticism of the director.

Data Protection

Finally, when submitting details of your claim in the Administration, you may disclose personal data to us. The processing of personal data is regulated in the UK by the General Data Protection Regulation as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. We act as Data Controller in respect of personal data we obtain in relation to this Administration and are therefore responsible for complying with Data Protection Law in respect of any personal data we process. Our privacy notice, which is attached to this letter at Appendix B, explains how we process your personal data. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

Insolvency practitioners at Leonard Curtis are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

We remind you that the Joint Administrators are agents of the Company and contract without personal liability.

Yours faithfully
for and on behalf of
CALDER METAL SPINNING COMPANY LIMITED



ANTHONY MILNES
JOINT ADMINISTRATOR

Anthony Milnes and Sean Williams are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 23150 and 11270, respectively

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

Enc

CALDER METAL SPINNING COMPANY LIMITED ("THE COMPANY")
(IN ADMINISTRATION)

INFORMATION REGARDING THE PRE-PACKAGED SALE OF THE BUSINESS AND ASSETS OF
CALDER METAL SPINNING COMPANY LIMITED

1 STATUTORY PURPOSE OF ADMINISTRATION

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

- (a) Rescuing the Company as a going concern, or (if this cannot be achieved)
- (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 (if (a) and (b) cannot be achieved)
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

1.2 We are obliged to perform our functions in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors (including secondary preferential creditors), we have a duty not to unnecessarily harm the interests of the creditors as a whole.

1.3 It was not considered that objective (a) could be achievable in this case without the introduction of significant funds to provide working capital and to finance the continuation of the Company given the level of the Company's liabilities. New funding could not be raised by the Company and the director was not in a position to provide any further funding himself.

1.4 It does not (to the extent where there will be a dividend to unsecured creditors) appear probable that the objectives specified in (b) will be achieved. However, while in its strictest interpretation we cannot achieve objective (b) it is considered in this case, that asset realisations are greater than those anticipated had the Company been wound up, in addition the transfer of staff to the Purchaser under TUPE regulations has mitigated employee claims.

1.5 As a result, objective (c) will be achieved as property will be realised to make a distribution to the secured (through maximising asset realisations, particularly in relation to the debtor book collections) and/or preferential creditors. The achievement of this objective will not unnecessarily harm the interest of the creditors as a whole.

1.6 We confirm that, in our opinion, the transaction will enable the statutory purpose to be achieved and that the sale price achieved was the best reasonably obtainable in all the circumstances.

2. INITIAL INTRODUCTION

2.1 The Company was introduced to Leonard Curtis Recovery Limited ("Leonard Curtis") by Elite Accountancy Services Limited ("Elite").

2.2 Elite acted as the accountants for two associated companies and on 23 May 2023 had initially approached Leonard Curtis to provide advice on the Company's position as well as reviewing the associated companies and providing advice regarding a personal debt of the director. On review of the position of the Company, insolvency options were considered by the director, potential funding options were considered and negotiating a time to pay with HM Revenue & Customs ("HMRC") was considered.

2.3 The director was in discussions with HMRC and on 4 July 2023, the director successfully agreed a time to pay arrangement with HMRC. However, the Company struggled to make the payments required under the time to pay arrangement. Consideration was given to attempting to obtain a revised time to pay agreement with HMRC, who were owed £589,740. The director considered that the duration of the arrangement would have to be over a longer period in order to be viable for the Company, as a result of cash flow pressures and would not address the high levels of trade creditors.

- 2.4 The director believed that obtaining a revised time to pay agreement with HMRC over a significantly longer period of time was unlikely to be achieved and therefore sought further insolvency advice. The Company formally appointed Leonard Curtis on 21 September 2023 to provide advice and assist with the process of marketing the Company's business and assets with a view to achieving a sale following the appointing of Administrators.
- 2.5 It should be noted that Leonard Curtis have subsequently received instructions to provide advice and act as Joint Liquidators for two associated companies, A D Metal Spinning (Halifax) Limited and Hilclare Limited.
- 2.6 We do not believe that the above involvement constitutes a significant personal or professional relationship which would affect our ability to deal with this matter objectively and prevent us from accepting this appointment.

3 PRE-APPOINTMENT CONSIDERATIONS

The extent of the Administrators' involvement prior to the appointment and the Role of the Insolvency Practitioner ("IP")

- 3.1 Following our instruction, we wrote formally to the director of the Company informing him that our role before any formal appointment would involve providing the following services:
- i) advising him on which insolvency process would be most appropriate for the Company;
 - ii) dealing with all formalities relating to the appointment of Administrators including giving appropriate notification of the intention to make such appointment to secured creditors and other parties entitled to receive notice;
 - iii) preparing any report(s) necessary and attending Court hearings if appropriate;
 - iv) advising him on the financial control and supervision of the business between the date of our engagement and the date of the appointment of Administrators; and
 - v) advising him on whether an early sale of the Company's business and trading assets would be likely to be in the interests of creditors.
- 3.2 We made it clear that these services were to be given for the benefit of the creditors of the Company and that our role was not to advise the director in his personal capacity. We recommended that he seek his own independent advice if he was uncertain on any matter, particularly if he had expressed, or was likely to express, an interest in purchasing the Company's business and trading assets.
- 3.3 We also wrote to all interested parties who we believed to be connected to the Company advising them of the IPs' obligations under Statement of Insolvency Practice 16 ("SIP 16") regarding the marketing of the business and assets of the Company. We advised of the potential for enhanced stakeholder confidence in preparing a viability statement showing how the purchasing entity would survive for at least 12 months from the date of purchase. We also advised of the provisions of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021 which state that Administrators are unable to complete a sale of a substantial part of a Company's property to a connected person within the first eight weeks of administration without either the approval of the Company's creditors or a written qualifying report from an Evaluator ("Evaluation Report").
- 3.4 Finally, we explained that initially an IP acts as professional adviser to the Company with responsibilities only to it and its directors. At this stage of the process the IP will assist the director in making the right decision about what is the correct option for them to pursue in the best interests of creditors having regard to the Company's circumstances. In this case, we advised the director that the Company was insolvent and that immediate steps should be taken to place it into Administration.
- 3.5 Once the Company has been placed into Administration, the IPs become Administrators with different functions and responsibilities. The Administrators are obliged to perform his functions and responsibilities in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors

(including secondary preferential creditors), they have a duty not to unnecessarily harm the interests of creditors as a whole.

Background information

- 3.6 The Company was incorporated on 7 February 1947, reaching its current form in terms of management and ownership in June 2018.
- 3.7 The shares were purchased by Leeds Metal Spinning Ltd, a company owned solely by the director of the Company, Stephen Lawlor, operated alongside a number of smaller similar operations.
- 3.8 The Company operated in the metal spinning, presswork and fabrications sector for bespoke projects across industries including aerospace, automotive, food processing and scientific. Work is carried out across all types of metals including mild steel, stainless steel, copper, aluminium, brass, carbon steel, galvanised steel, aluminised steel to specialist metals such as zintel and inconel.
- 3.9 The Company was funded by way of invoice finance facility with Skipton Business Finance Limited ("SBFL"), who hold a fixed and floating charge over the Company under the terms of the agreement.
- 3.10 The Company had been struggling with its cash flow and as a result some liabilities have accrued, predominantly that of HMRC and an initial meeting was held with Leonard Curtis on 5 June 2023 to discuss options available. The director agreed a time to pay arrangement ("TTP") with HMRC on 4 July 2023 with a view to clearing the historic debt.
- 3.11 However, recent trading results of the Company have been worse than anticipated and a review of the Company's position and forecasts suggested that the Company would be unable to adhere to the agreed TTP payments.
- 3.12 The strained cashflow meant that the Company also accrued other liabilities which it was not in a position to discharge. On review of the position with the Company's accountants, the Company sought advice from Anthony Milnes at Leonard Curtis on 18 August 2023 and a meeting was held on 25 August 2023 at which further financial information regarding the Company was provided.
- 3.13 A further meeting was held with the director on 20 September 2023. During discussions held with the director, the various options available to the Company were discussed. It was concluded that the Company was insolvent pursuant to section 123 of the Act, as the Company was unable to pay its debts as and when they fell due. At this meeting, the director concluded that the Company should be placed into Administration and verbally instructed Anthony Milnes and Sean Williams to assist in this regard. A letter of engagement was issued on 21 September 2023 and signed by the director on the same date.
- 3.14 In order to determine the value of the Company's various assets, independent valuation agents, Cerberus Asset Management ("CAM") and Cerberus Receivables Management ("CRM"), were instructed to value the Company's physical assets and the work in progress, respectively. CRM also reviewed the book debt ledger and advised on the best method of realisation. Yorkshire Office Services Limited trading as Fitton & Co ("Fitton") were instructed to prepare a valuation report in respect of the Goodwill.
- 3.15 Weightmans LLP ("Weightmans") were instructed to assist the directors with the formalities of filing the Notice Of Intention to Appoint an Administrator ("NOI"). The NOI was subsequently filed at the High Court of Justice Business and Property Courts in Leeds - Company & Insolvency List (CHD) on 25 September 2023.
- 3.16 A marketing campaign was launched on 26 September 2023. Leonard Curtis placed an advert on its 'Businesses for Sale' website and instructed independent agents, CAM, to place the same advert on their website, as well as the website of Charles Taylor Auctioneers and Valuers, a trading style of CAM. The proposed Joint Administrators also placed an advert on www.ip-bid.com. IP-BID is an established independent online marketing platform specialising in the marketing of insolvent businesses and distressed assets. Further details regarding the marketing campaign are provided at Section 4 of this report.
- 3.17 The marketing campaign resulted in 15 expressions of interest and requests for a non-disclosure agreement with 10 parties returning a signed copy. However, only one offer of £57,000 for the business

and assets was ultimately received from the Purchaser on 4 October 2023, which had been revised to include the Company's work in progress.

- 3.18 The proposed Joint Administrators approached their agents for advice on the offer received, CAM, CRM and Fitton reviewed the offer and ultimately recommended this offer for acceptance. The proposed Joint Administrators also liaised with SBFL following the receipt of this offer with a view to obtaining a deed of release in respect of the security held.
- 3.19 In order that the terms of the agreement could be finalised, there was a requirement to file a second NOI on 6 October 2023, as the previous NOI had lapsed and the formalities of the sale had not been finalised.
- 3.20 Following the recommendations received, the offer was duly accepted and following the agreement of the sales documentation, which was prepared by Weightmans, a Notice of Appointment of Administrators was signed by the director and filed in the High Court of Justice Business and Property Courts in Leeds – Company and Insolvency List (CHD) on 11 October 2023, appointing Anthony Milnes and Sean Williams as Joint Administrators.
- 3.21 Anthony Milnes and Sean Williams are licensed by the Institute of Chartered Accountants in England and Wales. In accordance with paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, the functions of the Joint Administrators may be exercised by either both, acting jointly or alone.

Alternative courses of action considered by the Administrator

- 3.22 The following courses of alternative action were considered with management prior to our appointment and the pre-packaged sale:

Do Nothing

- 3.23 The director could have chosen to do nothing and see what action if any SBFL or any other creditors, in particular HMRC, would take. However, in light of the mounting creditor pressure, the cashflow difficulties and the lack of available funding, it was considered that a creditor was likely to take legal action to place the Company into liquidation. As such, the director should take steps to formally deal with the situation himself. The director has an overriding duty to best protect the Company's assets and to minimise the Company's liabilities to its creditors generally. The director had been advised that doing nothing would not be in the best interests of the creditors.

Sales of Shares by Management

- 3.24 Given the distressed position of the Company, it was considered unlikely that there would be any interest in the Company's shares. In particular a significant injection of funds would have been required in order to meet current and future liabilities and it was therefore considered unlikely that a share sale would be completed, especially considering that the director had been advised it would not be possible to obtain new debtor finance in its present circumstances.
- 3.25 Notwithstanding this, the marketing campaign detailed below allowed for any potential interested party to make an offer for the shares of the Company, on alternative basis of an offer, however, no offers were received in this regard.

Formal Insolvency Options

Company Voluntary Arrangement ("CVA")

- 3.26 A CVA is a formal procedure that enables a company to agree with its creditors a composition in satisfaction of its debts or a scheme of arrangement of its affairs, which can determine how its debts should be paid and in what proportions. An arrangement typically lasts over a period of five years and the Company remains under the control of its directors. A CVA requires the approval of 75% or more in value of the Company's creditors voting on the resolution to approve the arrangement. If a CVA is validly approved, it binds all of the Company's creditors who were entitled to vote (whether or not they voted) or would have been entitled to vote had they received notice of the proposed resolution. A CVA is commonly funded by contributions generated by profits and/or the realisation of assets which can be used to repay creditors.

- 3.27 This was unlikely to be a viable option for the Company, as there was no immediate source of funding to enable a CVA to be proposed to creditors and it was unlikely that any new funding could be raised. The director was not in a position to provide further funding himself.
- 3.28 A CVA would only deal with the liabilities of those creditors who are classed as preferential and unsecured and would not address the secured creditors' liabilities which also included a finance company in relation to a hire purchase agreement or resolve the Company's working capital requirements. It was considered that a CVA would impact on both supplier and customer confidence which would impact the Company's ability to trade. A CVA would also offer no protection from the Company's creditors in the period between submitting a proposal and convening a meeting of creditors, leaving the Company at risk of enforcement or winding up action which could result in the cessation of trade and ultimately worsening the position for all creditors.

Administrative Receiver

- 3.29 There is no creditor holding a floating charge created prior to the introduction of the Enterprise Act 2002 that would enable them to appoint an Administrative Receiver.

Liquidation

- 3.30 The director could have initiated the liquidation of the Company on a voluntary basis ("CVL") or a creditor could seek a winding up order against the Company to place it into compulsory liquidation ("CPL"). Where a creditor seeks a winding-up order this is usually a protracted process and is not a proactive step for the director. Both a CVL and CPL are terminal procedures, pursuant to which the Company ceases to trade and is ultimately dissolved.
- 3.31 The purpose of a liquidator is to deal with the realisation of a company's assets in situations where a business has or is likely to cease to trade and then distribute those assets in the appropriate order of creditor ranking. A liquidation would result in the Company ceasing to trade and the diminution of the value of the goodwill. In a cessation of trade scenario it was also anticipated that the realisations for the book debts and work in progress would be diminished as there would be no customer continuity and the work in progress would likely not be able to be completed.
- 3.32 All employment contracts would be terminated upon the Company's passing a winding up resolution or a winding up order is made. This would, in all likelihood, give rise to preferential claims in respect of wages and holiday pay and unsecured claims in respect of pay in lieu of notice and redundancy pay. A sale of the business would allow for the transfer of employees' contracts which would preserve their jobs and also may mitigate the level of creditor claims. A sale of the business could also allow for mitigation of claims from any finance companies.
- 3.33 Based on the proposed Joint Administrators' discussions with the director and instructed agents, CAM, CRM and Fitton, they were of the view that the breakup value of the Company's assets would be minimal, compared with what might be achieved in a more orderly context and would result in a worse financial outcome than an Administration.

Administration

- 3.34 The director, a secured creditor (as holder of a qualifying floating charge) or the Company itself could appoint an Administrator through the "Out of Court" procedure set out in the Act. In addition, a director or a creditor can make an application to Court for an Administration Order. Irrespective of the method or applicant on of the objectives of Administration must be the purpose, these are as follows:
- a) Rescuing the Company as a going concern, or
 - b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company be wound-up (without first being in Administration), or
 - c) Realising property to make a distribution to one or more secured or preferential creditors.
- 3.35 It was not considered that objective (a) would be achievable in this case without the introduction of significant funds to provide working capital and to finance the continuation of the Company, given the level of the Company's liabilities. The director had held discussions with the Company's current funders about the position. The director / shareholder is not presently able to commit significant further monies to the Company. Due to the Company's financial position, it was considered unlikely that any new long term funding would be available to the Company from alternative sources.

- 3.36 An Administrator has the power to sell the business free of all or the majority of the Company's liabilities and to negotiate the terms of such a sale with a potential purchaser prior to appointment, with a sale completed immediately on appointment. This is commonly referred to as a 'pre-pack'. Alternatively, the Administrator may decide to trade the business once appointed and seek a buyer for the business during this period. In order to facilitate this trading period, the Administrator must be confident that sufficient working capital is available and that the overall outcome for creditors is likely to improve.
- 3.37 In this case it was considered that Administration would best allow for a sale of the business and assets to be negotiated and completed which would improve asset realisations and the outcome for creditors. A sale, by way of a pre-pack was deemed appropriate for the following reasons:
- Enables a sale of the goodwill;
 - Enhanced sales ledger realisations if continuation of service is achieved and repayment, potentially in full, of SBFL;
 - Enables a sale of any work in progress ("WIP");
 - Maximise realisations of physical assets via an in-situ sale rather than a breakup basis;
 - Minimise the costs of the post-appointment Administration process;
 - Allow the opportunity for the Purchaser to agree novation of the various finance agreements the Company held, therefore mitigating any claims from the finance companies;
 - Potentially mitigate a claim from the landlord for the remaining term of the lease and any dilapidations, if the purchaser can negotiate occupational terms for the trading premises; and
 - Preservation of the employment of the Company's employees, as they will transfer to the purchaser under TUPE legislation, which will also reduce employee claims in the Administration.
- 3.38 The Joint Administrators could have sought to trade the business whilst marketing the business and assets for sale post Administration, however, the Company had insufficient working capital available to fund a period of trading and there was no certainty that trading whilst in Administration would result in an improved outcome for creditors.
- 3.39 If a going concern sale, by way of a pre-packaged sale, could not be achieved, then the Joint Administrators would be required to cease trading immediately or very shortly after their appointment, for the reasons stated above, and conduct an orderly wind down of the Company's affairs.
- 3.40 Given all of the above, it was considered that a pre-packaged sale through an Administration procedure provided the greatest prospect of achieving the best possible outcome for all stakeholders.
- 3.41 An offer for £55,000 was received on 2 October 2023 and accepted in principle by the proposed Joint Administrators, subject to the requirement to include an amount in regard to WIP. Following further discussions an increased offer of £57,000 was made on 4 October 2023 and following discussions with their agents the offer was accepted on 5 October 2023, subject to contract. After which, the formalities of agreeing a sale and purchase agreement and relevant supporting documentation were completed.
- 3.42 In light of the offer accepted, the Joint Administrators were of the opinion that a pre-packaged sale of the business and assets was the most appropriate process to maximise realisations. This opinion has not changed. Further details of the assets included in the sale are detailed at Section 5 of this report.
- 3.43 It does not (to the extent where there will be a dividend to unsecured creditors) appear probable that either of the objectives specified in (a) or (b) will be achieved. Objective (c) will be achieved as property will be realised to make a distribution to the secured creditor (through maximising asset realisations, particularly in relation to the enhanced collection of the debtor book ledger as a consequence of the continuity of supply likely to be provided by the Purchaser and subsequent repayment of SBFL) and/or preferential creditors. The achievement of this objective will not unnecessarily harm the interest of the creditors as a whole.

Whether efforts were made to consult with major creditors and the outcome of any consultations

Secured creditor

- 3.44 SBFL provided an invoice finance facility to the Company and also hold a fixed and floating charge over all assets of the Company.

- 3.45 In advance of the first NOI being filed, SBFL were contacted and the Company's position and the options that had been explained to the director discussed with them. An initial Notice of Intention to Appoint Administrators ("NOI") was filed in court by the director of the Company on 25 September 2023 and duly served on SBFL. The subsequent NOI filed was also served on SBFL and regular updates were provided to SBFL, who consented to the appointment.

Trade and Expenses Creditors

- 3.46 It was considered that to consult with the general body of creditors prior to the filing of the NOI could have hampered the Company's ability to continue trading and thus preserve the asset position for the benefit of creditors. There was the possibility that, should it have become known within the industry sector that the Company was in financial difficulty, customers could cease working with the Company. This would have negatively impacted on the value achieved for the Company's assets and eroded the Company's goodwill.

Why it was not appropriate to trade the business, and offer it for sale as a going concern, during the Administration

- 3.47 The proposed Joint Administrators considered whether it would be appropriate to trade the business as a going concern during the Administration whilst concluding a sale. It was ultimately considered that trading in the Administration was not a viable option for the following reasons:

- It was considered that there were insufficient assets and working capital to fund ongoing trading meaning in all likelihood the Joint Administrators would have had to borrow funds to trade, which in turn would have required repayment;
- The costs of continued trading in the Administration would have been considerable given the requirement for the Joint Administrators to supervise the period of trading, maintain the employee contracts and payroll costs and maintain necessary overhead costs. In addition to these costs, there would be significant professional costs incurred in ongoing trade;
- The proposed Joint Administrators and their agents considered that trading the business would have been unlikely to result in an improved offer for the business and assets. Furthermore, it was considered that any offer received would be insufficient to outweigh the additional costs associated in trading based on the valuations provided by CAM, CRM and Fitton; and
- A period of uncertainty whilst trading was likely to lead to a loss of customer confidence and subsequently a loss of customers, which would ultimately devalue the Company's goodwill and might also impact the level of debtor recoveries.

Details of requests made to potential funders to fund working capital requirements

- 3.48 This has been dealt with in Paragraph 3.35 above.

Details of registered charges and dates of creation

- 3.49 According to Companies House, the following charges are registered against the Company:

Date of creation	Chargee	Type of charge	Amount secured and assets charged
29 June 2018	Skipton Business Finance Ltd	Fixed and floating charge	c. £92k secured over all assets of the Company

Details of any acquisition of business assets from an insolvency practitioner

- 3.50 We confirm that the business, or business assets, of the Company were not acquired from an insolvency practitioner within the 24 months prior to our appointment.

4 MARKETING OF THE BUSINESS AND ASSETS

- 4.1 We confirm that in our opinion we consider that the marketing undertaken conformed with the marketing essentials set out in the Appendix to SIP16.

- 4.2 Following the director's decision to instruct Leonard Curtis to assist with placing the Company into Administration, a discrete marketing exercise was undertaken by Leonard Curtis and CAM. This

marketing was commenced following a specific engagement from the Company to Leonard Curtis dated 21 September 2023 and was signed and returned on the same date.

Broadcasting

4.3 An online marketing campaign was launched on 26 September 2023, with a confidential advertisement being broadcast on the following websites:

- www.leonardcurtis.co.uk – the website of the proposed Joint Administrators' firm
- www.cerberusam.com – the website of CAM
- www.charlestaylor.co.uk - the website of Charles Taylor, auctioneers and valuers, a trading style of CAM
- www.ip-bid.com – a website that specialises in the marketing of distressed and insolvent businesses

4.4 The advertisement included key features and details of the Company. The closing date for best and final offers was initially set for 5pm on 2 October 2023.

4.5 All interested parties were required to sign a non-disclosure agreement prior to receiving further details.

Length of Marketing

4.6 The length of marketing was determined by the following factors:

- Alternative funding was not available to the Company limiting its ability to continue to trade;
- Mounting creditor pressure; and
- It was considered that the Company did not have sufficient working capital to continue trading for a prolonged period, nor was it believed that it would have sufficient funding to continue trading for any significant period of time after the deadline for offers, if a sale was not achieved as a result of the marketing.

4.7 The Joint Administrators are of the opinion that the length of marketing set at the outset of the assignment was proportionate to the Company's financial position as they understood it to be at the time the marketing strategy was determined. It was considered that the Company risked exhausting its remaining working capital and may have had to cease to trade if a prolonged marketing exercise had been undertaken.

4.8 The Joint Administrators are satisfied with the adequacy and independence of the marketing undertaken.

Outcome of Marketing

4.9 The marketing campaign attracted the views on the relevant websites:

- www.leonardcurtis.co.uk
- www.cerberusam.com
- www.charlestaylor.co.uk
- www.ip-bid.com

4.10 The marketing campaign resulted in 15 parties enquiring and making requests for non-disclosure agreements. Of the 15 parties, 10 returned the signed non-disclosure agreements within the specified time frame and were provided with an information pack. No offers were received other than from the Purchaser, a company associated by association with the director and shareholder.

- 4.11 An indicative offer was made by the Purchaser at the outset of the initial marketing campaign, negotiations continued between the prospective Purchaser, CAM and the proposed Joint Administrators. As a result of this an initial offer was received on 2 October 2023, with a subsequent offer to include work in progress for a total sum of £57,000 received on 4 October 2023. Following receipt of this offer the proposed Joint Administrators, the offer included the purchase of the following assets:
- Goodwill, domain names and seller's records
 - Plant and machinery
 - Office furniture and equipment
 - Motor vehicles
 - Work in progress
- 4.12 Payment terms were requested by the Purchaser on deferred terms. This request was agreed by the proposed Joint Administrators on the basis that an initial payment of £15,000 was made on completion. This was after being provided with proof of funding for the initial deposit and verification of an ongoing invoice financing facility. In addition, personal guarantees were provided by the director of the Purchaser and of the Company, as well as a debenture over the Purchaser's assets, for the deferred sum totalling £42,000 to be paid over a period of five months.
- 4.13 The marketing strategy adopted ensured the greatest level of exposure to potential interested parties whilst maintaining costs at a level consistent with the estimated realisable value of the assets on offer. This strategy also ensured that the identity of the Company remained confidential pending a sale to preserve any potential value held in the business and / or assets, and specifically the goodwill and work in progress.

5 VALUATION OF THE BUSINESS AND ASSETS

Details of valuers/advisors

CAM

- 5.1 CAM, RICS registered asset valuers were formally instructed by the proposed Joint Administrators on 28 September 2023 as part of the marketing exercise to prepare an indicative valuation report in respect of the Company's physical assets in order to assist the Company in assessing the available options.
- 5.2 The proposed Joint Administrators were unable to undertake this work as they are not qualified valuation agents and believed it appropriate to utilise a registered valuer. CAM have confirmed their independence to act and have confirmed that they hold the requisite level of professional indemnity insurance. In addition, CAM have advised that they have the appropriate level of experience, skill and competence to conduct the valuation of the above.
- 5.3 Details of the time costs incurred by CAM for the work undertaken have been requested and approval of which will be sought from creditors with the Joint Administrators' Statement of Proposals.

CRM

- 5.4 On 28 September 2023, the proposed Joint Administrators formally instructed CRM to prepare a valuation of the Company's work in progress.
- 5.5 CRM have extensive experience in debt collection and receivables management and it was therefore determined that their instruction could more accurately and effectively assess the debtor ledger. In addition, the proposed Joint Administrators were unable to undertake this work as they are not qualified valuation agents.
- 5.6 CRM have confirmed their independence to act and have confirmed that they hold the requisite level of professional indemnity insurance. In addition, CRM have advised that they have the appropriate level of experience, skill and competence to conduct the valuation of the Company's work in progress.
- 5.7 Details of the time costs incurred by CRM for the work undertaken have been requested and approval of which will be sought from creditors with the Joint Administrators' Statement of Proposals.

Fitton

- 5.8 Fitton are an experienced chartered certified accounting firm with the recognised skills to undertake the valuation and were formally instructed on 28 September 2023, to prepare a valuation report in respect of the goodwill of the Company.
- 5.9 Fitton confirmed their independence to act and have confirmed they hold the requisite level of professional indemnity insurance. In addition, they have advised that they have the appropriate level of experience, skill and competence to conduct the valuation of the goodwill.
- 5.10 A fee of no more than £2,000 plus VAT was agreed with Fitton for their valuation, approval of which will be sought from creditors with the Joint Administrators' Statement of Proposals. The Joint Administrators consider that the set fee agreed with Fitton as an expense of the Administration represents a fair and reasonable reflection of the work that has been carried out.

The valuations obtained of the business or the underlying assets

- 5.11 The valuations obtained for the business and underlying assets as included in the transaction are as follows:

Category of asset	Notes	Book value (Point 1) £	High value (Point 2) £	Low value (Point 3) £	Value achieved (Point 4) £
Fixed charge assets					
Goodwill, domain names and seller's records	1	0	5,000	0	5,000
Floating charge assets					
Plant and machinery*		263,570	} 65,000		
Office furniture and equipment	2	1,543		24,500	46,000
Motor vehicles	2	3,013		3,750	4,000
Work in progress	3	5,228		780	2,000
TOTAL		273,354	76,300	29,030	57,000

* The book value of the plant and machinery includes financed assets of which the sale includes any equity. However, our agents have advised that they do not consider there is likely to be any equity in regard to these assets.

Point 1: Book Value – The book values have been extracted from the latest Company information available to the director.

Point 2: High Value – also referred to as “Market Value In-Situ” (Assuming that all assets are sold together as a whole, in their existing location, as part of a sale as a going concern).

Point 3: Low Value – also referred to as “Market Value Ex-Situ” (Assuming that assets are removed from their current location, at the expense of the Purchaser, assuming a restricted marketing period).

Point 4: Value Achieved – defined as the agreed split of the Purchaser's offer.

- 5.12 Agents advised that a sale of the business as a going concern would in the circumstances of this case result in the best possible outcome for the Company's creditors and therefore provided the “High” value noted above. The “Low” value was provided as what the Joint Administrators could expect to achieve if a sale of the business was not possible and the assets had to be sold on a piecemeal basis.

An explanation of the sale of the assets compared to those valuations

1. Goodwill, domain name and **seller's** records

The Company's financial statements for the period ended 27 February 2022 did not attribute any value to goodwill, as reflected in the above table.

Independent Chartered Certified Accountants, Fitton & Co, were instructed to undertake a valuation of the Company's goodwill. Fitton & Co advised the basis of the goodwill valuation focused on a multiple of profits method and attributed a maximum value of £5,000 for the remaining goodwill of the business. It was considered that should the Company cease to trade the goodwill would have no value.

The Purchaser's offer included £5,000 for the purchase of the goodwill, to include the domain name. Fitton & Co recommended this offer be accepted.

2. Physical assets

The Company's fixed asset register comprised of plant and machinery, office furniture and equipment and motor vehicles, which were attributed values as specified in the above table in the Company's latest full accounts.

CAM were instructed to provide a valuation of the Company's physical assets, giving consideration to those assets on finance and any equity in the agreements. Any potential equity was unlikely on an ex-situ basis.

The Purchaser's offer included £50,000 in respect of the physical assets of the Company. CAM recommended that the offer be accepted.

3. Work in progress ("WIP")

CRM were instructed to provide a valuation of the Company's WIP. The book value is less directly attributable costs of £3,018 but does not give consideration to other overheads such as management, insurance and other costs.

Whilst CRM acknowledged the prospect of a nil outcome in the event of shut down, a low case of £784 was provided and a high case of £1,307 to be collectable. The low value applied a general provision of 15% being collectable, and the high value of 25% being collectable.

The Purchaser's offer included £2,000 for the purchase of the WIP. CRM recommended this offer be accepted.

If no valuation has been obtained, the reason for not having done so and how the administrator was satisfied as to the value of the assets.

5.13 Valuations were obtained for all assets included in the disposal.

5.14 In addition, we requested CRM to undertake a valuation in regard to the book debts as it was uncertain whether or not these would be included in any offers received. Ultimately the only offer received did not include book debts. The information below is included for completeness and to provide creditors with further relevant information.

Book debts

5.15 The book value of the Company's book debts of £134,000 is based on the gross value of the sales ledger as provided by SBFL on 27 September 2023.

5.16 Based upon current information held, CRM anticipate that SBFL may be paid in full. This is dependent on the collections which are being carried out for SBFL under the supervision of the Company with the assistance of the Purchaser. The quantum of any surplus that will be available for the Administration is unknown at present and entirely dependent on amounts collected and the final level of charges levied by SBFL.

6 THE TRANSACTION

6.1 A sale of the Company's business and assets was completed on 11 October 2023 to Rodney Bay Ltd (company number 15119112) ("the Purchaser"), a connected company by virtue of the fact that the director of the Purchaser was an employee of the Company and is wife of the Company's director and ultimate beneficiary.

6.2 The sale consideration available to the Administration of £57,000 is apportioned as follows:

Category of Asset	Fixed Charge £	Floating Charge £
Goodwill, domain name and Company records	5,000	-
Plant and machinery	-	} 46,000
Office equipment and furniture	-	
Motor vehicles	-	4,000
Work in progress	-	2,000
Total	<u>5,000</u>	<u>52,000</u>

6.3 The apportionment of the sales consideration is based on the allocation of the offer received from the Purchaser following discussions with CAM, CRM and Fitton.

6.4 Payment terms were requested by the Purchaser for deferred terms for an element of the consideration. This request was agreed by the proposed Joint Administrators on the basis that an initial payment of £15,000 was made on completion and personal guarantees were provided by the director of the Purchaser and of the Company and a debenture was granted by the Purchaser against its assets. The payment terms agreed are as follows:

Due date	Amount £
On completion	15,000
Monthly payments of £8,400 per month for the 5 months following the sale	<u>42,000</u>
Total	<u>57,000</u>

6.5 Upon completion the sum due of £15,000 was paid to Weightmans on behalf of the Joint Administrators.

6.6 Other than the above, there were no other terms and conditions of the sale and purchase agreement that could materially affect the asset consideration.

6.7 The sale is not part of a wider transaction and there are no buy-back arrangements or similar conditions attached to the sale and purchase agreement.

6.8 The sale agreement included a clause regarding the transfer of the Company's employees under TUPE regulations. It is estimated that as a result of this the preferential claims of employees in respect of arrears of pay and holiday pay have been mitigated and unsecured claims for potential pay in lieu of notice and redundancy significantly mitigated due to previously transferred employee contracts.

6.9 Whilst not currently recorded as a director at Companies House, as a former employee of the Company, Mr Lawlor has transferred to the Purchaser along with his colleagues. We are unsure of the nature of his future involvement in the management of the Purchaser.

6.10 The only assets included in the sale are those listed above. The following assets have been excluded from the sale, as detailed in the sale and purchase agreement:

- the Book Debts;
- the Administrators' records;
- the VAT records;
- the Third Party Assets;
- the Retention Of Title assets;
- any cash in hand or at the bank;
- the benefit of any actual or potential claim (including any claim under any policies of assurance, insurance, indemnity and trade credit insurance or against and employee or former employee) or the seller of Administrators;
- all policies of insurance and assurance and any actual or potential claim under such policies of similar contracts or in damages against and third party;
- the benefit of any actual or potential claim, or right to make a claim, against any person (other than claims under the manufacturers or suppliers' warranties included in the assets) including the proceeds of any litigation;
- the benefit of any claim made or to be made by the seller of the Administrators for repayment of any tax or tax allowance;
- the benefit of any claim made or to be made by the seller or the Administrators for grants from any government, local or public authority;

- any shares or investments in or any other securities owned by the seller other than the shares;
- any freeholder or leasehold properties used or occupied by the seller and any landlords' fixtures and fittings therein;
- the rights of the seller in relation to any pension, trust or fund established by it or affecting the employees or any former employees; and
- any other property, rights or assets of the seller which are not listed.

- 6.11 Whilst ROT chattels are excluded from the sale, the Purchaser will be given the opportunity to deal with and accept full responsibility for and in respect of ROT claims.
- 6.12 Where the sale is to a connected party, as is the case here, the Administrators cannot complete the sale unless the connected party Purchaser contains a qualifying report from an evaluator (and "Evaluator's Report") or the Company's creditors approve the sale.
- 6.13 The Purchaser has obtained an Evaluator's Report. The Evaluator has confirmed that he is satisfied that the sale consideration to be provided and the grounds for the sale are reasonable in the circumstances. A copy of the Evaluator's Report is attached.

Viability Statement

- 6.14 The Purchaser has not prepared a viability statement stating how the purchasing entity will survive for at least 12 months from the date of the proposed purchase.

LEONARD CURTIS

Privacy Notice For Creditors

Information we collect and hold about you

By requesting details of your claim in this insolvency, we may collect Personal Data from you, particularly if you are a consumer creditor, a sole trader or are lodging a claim in your personal capacity.

Personal Data is information relating to a living individual. Whenever Personal Data is processed, collected, recorded, stored or disposed of it must be done within the terms of the General Data Protection Regulation ("the GDPR"). Examples of Personal Data include but may not be limited to your name, address, telephone number and email contact details.

If you do not provide us with the information we require, this may adversely affect our ability to deal with your claim, but we would ask you not to submit more Personal Data than we request from you.

Legal justification for processing your Personal Data

The processing of your Personal Data by us is necessary to enable us to comply with legal obligations under the Insolvency Act 1986 and associated legislation which we are subject to as Insolvency Practitioners.

How we use your information

All information you supply to us is required to enable us to comply with our duties under the Insolvency Act 1986 and associated legislation. It will be used to enable us to assess the extent of the insolvent entity's liabilities, to allow you to vote on any decision procedures, to enable us to communicate with you, to process your claim and to pay any dividends which may be due to you from the insolvent estate.

Who we share your information with

We may be required to share some of your Personal Data with other creditors. The data which will be shared with other creditors will be limited to that specifically required to be disclosed under insolvency legislation.

We may share some of your information with our Data Processors. Data Processors include solicitors, accountants and employment law specialists who assist us with our duties where required. We will only share your information with our Data Processors if we require their specialist advice. All of our Data Processors are subject to written contracts with us to ensure that your Personal Data is processed only in accordance with the GDPR.

How long will we hold your Personal Data for?

We will need to hold your Personal Data for a period of time after the insolvency has been concluded. This is to enable us to deal with any queries which might arise. Our Records Management Policy requires us to destroy our physical files 6 years after closure of the case. Electronic data files will be removed from our Case Management System 6 years after conclusion of the case but may be held on our server for a longer period of time but with restricted access.

Your rights in respect of your Personal Data

You have the right to request access to your Personal Data and to require it to be corrected or erased. You also have the right to request a restriction in the way we process your Personal Data or to object to its processing. You should be aware however that we may not be able to comply with your request if this would affect our ability to comply with our legal obligations.

You have the right to Data Portability. This is a right to have the Personal Data we hold about you to be provided to you in a commonly used and machine-readable format so that you can transfer that Data to another organisation in a way that is not too onerous to upload the Data.

Your right to complain

You have the right to be confident that we are handling your Personal Data responsibly and in line with good practice. If you have a concern about the way we are handling your Personal Data you should contact our Privacy Manager in the first instance.

If you are unable to resolve your concerns with us, you have the right to complain to the Information Commissioners' Office. The Information Commissioner can be contacted at Wycliffe House, Water Lane, Wilmslow, Cheshire SK6 5AF or on 0303 123 1113.

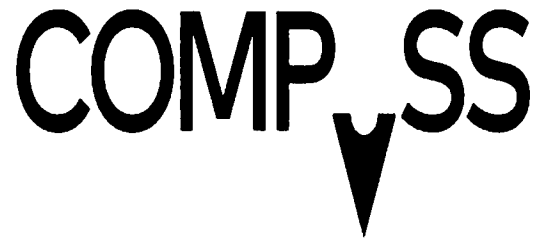
Contacting us

If you have any questions relating to the processing of your Personal Data, please write to our Privacy Manager at Leonard Curtis, Riverside House, Irwell Street, Manchester M3 5EN. Alternatively, they can be contacted by email: privacy@leonardcurtis.co.uk

Data Controller: Leonard Curtis

EVALUATOR'S REPORT

APPENDIX C



EVALUATOR'S REPORT

Pursuant to The Administration (Restrictions on Disposal etc. to
Connected Persons) Regulations 2021

Calder Metal Spinning Limited

Date of Report: 09 October 2023

Prepared by:
Compass Evaluator Reports Limited
James House, Yew Tree Way
Golborne, Warrington
WA3 3JD

Company Number 13288603

Kevin Murphy
kevin@compassevaluatorreports.co.uk



Contents & Abbreviations

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2.	Executive Summary
3.	The Requirements for Acting as Evaluator
4.	The Connected Person(s)
5.	The Relevant Property
6.	The Evaluator's Decision
7.	Information Relied Upon
8.	Previous Evaluator Reports

Appendices

Appendix I	Evaluator Bio
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The following abbreviations or references are used in this report:

The Act:	The Insolvency Act 1986 (as amended)
The Regulations:	The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021. Unless otherwise stated, any reference to 'Regulation' within this document is a reference to this legislation.
The Company:	Calder Metal Spinning Limited.
Substantial disposal:	This has the meaning given to it in Regulation 3, i.e., a disposal, hiring out or sale to one or more connected persons during the period of 8 weeks beginning with the day on which the company enters administration of what is, in the administrator's opinion, all or a substantial part of the company's business or assets and includes a disposal which is effected by a series of transactions.
Relevant property:	This means the property being disposed of, hired out or sold as part of the substantial disposal as defined in Regulation (See Section 5.)
Connected Person(s):	As defined in paragraph 60A (3) of Schedule B1 of the Act. (See Section 4.)
Proposed Administrators:	Anthony Milnes and Sean Williams from Leonard Curtis Business Recovery who are licenced Insolvency Practitioners, authorised and regulated by the ICAEW.
Valuation agents:	Steve Jordan from Cerberus Asset Management and Chris Pickles from Cerberus Receivables Management Limited – industry specialist valuation and asset realisation businesses – valued the Company assets. The valuation agents possess the requisite knowledge of the market for the type of asset being valued and the skills and understanding necessary to undertake the valuation competently.
Purchaser:	Rodney Bay Ltd.
Secured Creditor:	Skipton Business Finance Ltd.
TUPE:	Transfer of Undertaking (Protection of Employment) Regulations 2006.

1. INTRODUCTION AND BACKGROUND

- 1.1. I, Kevin Murphy, Managing Director of Compass Evaluator Reports Limited, confirm that I meet the requirements for acting as an Evaluator specified in Part 3 of the Regulations.
- 1.2. This report has been requested by the Purchaser. The Purchaser is considered a connected person in relation to the substantial disposal of the Company.
- 1.3. I am required to determine whether I am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.
- 1.4. The Company was incorporated in 1947, and is a metal spinner using all types of metals from mild steel, stainless steel, copper, aluminium, brass, carbon steel, galvanised steel, aluminised steel to specialist metals such as zintel and inconel. The current owners acquired the business in 2018, and trades from 2 sites.
- 1.5. The Company was historically profitable but has experienced cash flow problems recently, and has suffered a bad debt, and entered into a Time To Pay arrangement with HMRC which now cannot be maintained with other liabilities that are falling due.
- 1.6. The Company is currently unable to pay its debts as and when they fall due, and the director of the Company has concluded that the Company is no longer able to continue trading as a going concern. A Notice of Intention to Appoint an Administrator has been filed in Court and the appointment of the Proposed Administrators is imminent.
- 1.7. The Proposed Administrators and their valuation agents have been seeking to maximise realisations from the assets of the Company and maximise the funds available to creditors of the Company. Whilst the opportunity to acquire the business and assets has been marketed for sale prior to administration, one offer – from a Connected Person – has been recommended for acceptance by the valuation agents as being in the interests of creditors.

2. EXECUTIVE SUMMARY

- 2.1. I have formed the following opinion in this case:

CASE MADE

I **AM SATISFIED** that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.

- 2.2. The factors considered in forming this opinion are detailed in full within my report at section 6.

3. THE REQUIREMENTS FOR ACTING AS EVALUATOR

- 3.1. I confirm that I meet the requirements for acting as an Evaluator set out in Part 3 of the Regulations.
- 3.2. I am satisfied that I have the relevant knowledge and experience required to act as Evaluator and I include a summary of my qualifications and experience at Appendix 1.
- 3.3. The Proposed Administrators have not raised any objections to my suitability as an Evaluator.
- 3.4. I confirm that I meet the requirements of independence within Regulation 12, as follows:
- I am not connected with the Company.
 - I am not an associate of the connected person or connected with the connected person.
 - I do not know of or have reason to believe that I have a conflict of interest with respect to the substantial disposal.
 - I have not, at any time during the period of 12 months ending with the date on which this report is made provided advice to, and in respect of, the Company or a connected person in relation to the Company –
 - In connection with, or in anticipation of, the commencement of an insolvency procedure under Parts A1 to 5 of the Act, or
 - In relation to corporate rescue or restructuring.
- 3.5. I am not excluded from acting as an Evaluator for any of the reasons outlined in Regulation 13.
- 3.6. I confirm that I meet the requirements as to insurance specified in Regulation 11.
- 3.7. Details of the professional indemnity insurance for Compass Evaluator Reports Limited are as follows:
- Axa Insurance Plc.
 - Policy number AC SPI 4331301.
 - Expiry date 22 August 2024.
 - Professional indemnity cover limit of £1,000,000 for any one claim.
 - Risks covered: Misc Professional Indemnity breach of professional duty.
 - Exclusions from cover: Misc to include Directors' and Officers' liabilities, deliberate acts and omissions, virus exclusion, dishonesty, and fraud. (Full details available on request.)

4. THE CONNECTED PERSON(S)

- 4.1. Connected persons include the following:

Name of connected person	Nature of the connection
Rodney Bay Ltd	Purchaser.
Stephen Anthony Christopher Lawlor	Director and shareholder (via Leeds Metal Spinning Ltd) of the Company and husband of Yvette Lawlor.
Yvette Lawlor	Director and shareholder of the Purchaser and wife of Stephen Anthony Christopher Lawlor.

5. THE RELEVANT PROPERTY

- 5.1. The assets being sold are considered to constitute a substantial disposal and they have been professionally valued by the Proposed Administrator's appointed valuation agents.
- 5.2. The Purchaser is acquiring the following assets:
- Stock (subject to retention of title claims)
 - Goodwill (including IPR, Business name, brands, and website)
 - Plant and equipment, vehicles, fixtures and fittings, office furniture
 - Work in Progress
 - Equity, if any, in financed assets
- 5.3. Total consideration is stated to be £57,000, with £15,000 payable upon completion and the remaining balance to be paid in 5 equal consecutive monthly payments of £8,400.
- 5.4. The deferred consideration has been secured by way of a debenture over the Purchaser and personal guarantees from Yvette Lawlor and Stephen Lawlor. Title will remain with the Company until full payment has been received.
- 5.5. The offer excludes book debts which are charged to the Secured Creditor, which are significant assets of the Company. The collection of the debtors will facilitate repayment of the sums owing to the Secured Creditor, and any equity will be available to the Proposed Administrators. The Purchaser will assist with the debt collection in return for a 10% collection fee – only payable from any surplus received after the Secured Creditor has been repaid in full.

6. THE EVALUATOR'S DECISION

- 6.1 In accordance with Regulation 7, I am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.
- 6.2 My principal reasons for this opinion are as follows:
- 6.2.1 The assets have been professionally valued by the Proposed Administrator's appointed valuation agents, who possess the requisite knowledge of the market for the type of asset being valued. The offer has been recommended for acceptance by the valuation agents. The valuation agents are recognised professionals in the industry and are regulated by the industry professional bodies.
- 6.2.2 The Proposed Administrators and the valuation agents have been seeking to maximise realisations from the Company assets. The Proposed Administrators and their valuation agents have carried out a marketing exercise in relation to the business and assets in accordance with the guidance issued in SIP 16. In the timescale available to the Proposed Administrators, necessitated by the Company financial position and the need to provide certainty to all stakeholders, an offer has been received - from a connected party - which is considered the best achievable in the circumstances by the valuation agents and the Proposed Administrators.
- 6.2.3 The consideration offered for all the assets is in excess of the valuation agents' opinion of the market value of the assets on an ex-situ / cessation of trading basis, but prior to any costs of sale which are likely to be significant. In the event of a piecemeal disposal of all assets, the realisations from all categories of assets would be reduced. The proposed connected party sale therefore provides for better realisations than would be the case on a break-up. Based on a review of the Proposed Administrators Estimated Outcome Statement, the connected party deal provides a

better outcome for the secured and preferential creditors, as well as the employees, landlord and finance creditors.

- 6.2.4 The 26 employees associated with the business being acquired will transfer under TUPE to the Purchaser, avoiding a significant claim against the National Insurance Fund.
- 6.2.5 The alternative to the current sale is for the assets to be sold piecemeal at auction and the Company placed into Liquidation. That will however result in a significant reduction in value for the business and assets of the Company, given the nature of the Company activities, and will also lead to increased holding and disposal costs, and increased claims against the Company.
- 6.2.6 The offer excludes book debts which are a substantial asset of the Company, and continuity of operations going forward will maximise recoveries and will allow for the maximum recovery for the Secured Creditor and any equity will be made available to the Proposed Administrators. The debtor's ledger will be collected with assistance (if necessary) being provided by the Purchaser for a 10% collection fee after the Secured Creditor has been repaid in full. Continuity of trading will best maximise the realisations from the Company debtor book.
- 6.2.7 The Purchaser will continue to occupy the Company trading premises and, in the process, look to mitigate a claim from the landlord in respect of rent and dilapidations.
- 6.2.8 By continuing to use the Company's financed assets, this should mitigate a potential shortfall which would otherwise be a creditor of the Company and increase creditor claims.
- 6.2.9 The Purchaser has not provided a viability statement but has indicated that it will make a number of operational and efficiency improvements going forward – in particular it will look to reduce reliance and concentration with large customer accounts and introduce greater accounting controls. The deferred consideration has also been secured by way of a debenture over the Purchaser and personal guarantees from Yvette Lawlor and Stephen Lawlor which is necessary in my view in the event that the Purchaser is not able to meet the deferred consideration payments.
- 6.2.10 I offer no opinion on the viability of the Purchaser.

7. INFORMATION RELIED UPON

7.1. In forming my opinion, I have relied on my discussions with, and information provided by, the connected persons, the Proposed Administrators, and the valuation agents instructed by the Proposed Administrators. This includes the following:

- Compass Evaluator Reports application/information request form
- Valuation report from the agents
- Offer
- Recommendation from the agents
- Company financial information
- Financial information for the Purchaser
- Correspondence with the Proposed Administrators
- Estimated Outcome Statement and Internal file note.
- The Company's Website

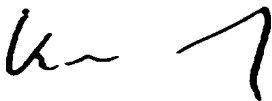
7.2. I have also relied on information freely available in the public domain.

- 7.3. I have relied upon the accuracy of the information as provided to me in forming my opinion. I have not carried out an audit or other verification of the information received. The Proposed Administrators are licenced Insolvency Practitioners with legal duties and obligations to creditors and their regulatory body, as such the decision whether to enter into the sale is for them to determine. As such, I offer no opinion on the decision to enter into the sale.
- 7.4. In addition to the sale of the business and assets, the Proposed Administrators have investigative powers available to them post appointment that may further enhance asset realisations.
- 7.5. The extent of my work is limited to providing the opinion specified in the Executive Summary.

8. PREVIOUS EVALUATOR REPORTS

- 8.1 Regulation 8 does not apply, as I am advised that no previous report exists in relation to this substantial disposal, and I have no reason to believe that this statement is incorrect.

For and on behalf of
Compass Evaluator Reports Limited



Kevin Murphy
Evaluator

Date: 09 October 2023

EVALUATOR BIO: KEVIN MURPHY

Before entering the insolvency profession, Kevin trained as a lawyer, undertaking a law degree (achieving a 2:1 classification) and successfully completing the Law Society's Final Exam. Kevin is a licensed Insolvency Practitioner (currently non-appointment-taking), with over 25 years of experience of dealing with a wide range of insolvency matters, including extensive experience of turnaround work, focusing on Company Voluntary Arrangements and Administration.

He has spent much of his career with a national firm of insolvency specialists, where he progressed to Director of Insolvency, heading up the firm's Administration Team in the Manchester Office. Responsible for many complex and challenging matters, Kevin developed practical skills in dealing with cases in an efficient, commercial, and pragmatic manner alongside the technical demands of compliance with regulation and legislation, to achieve the best outcome for stakeholders.

In more recent times, Kevin has utilised the extensive skill set developed because of his experience of turnaround and insolvency work in dealing with solvent acquisitions. Since 2017, Kevin has been an advisor to a buy and build acquisitions group.

Kevin is a member of the Turnaround and Management Association and R3, the Association of Business Recovery Professionals.

For more information, please visit <https://compassevaluatorreports.co.uk/>