

AM03

Notice of administrator's proposals



Companies House

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22/09/2021

#191

COMPANIES HOUSE

1 Company details

Company number 0 7 1 7 6 5 3 6

Company name in full Fruehauf Ltd

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

2 Administrator's name

Full forename(s) Carl

Surname Jackson

3 Administrator's address

Building name/number Office D

Street Beresford House

Post town Town Quay

County/Region Southampton

Postcode S O 1 4 2 A Q

Country

4 Administrator's name ①

Full forename(s) Tauseef A

Surname Rashid

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

5 Administrator's address ②

Building name/number Office D

Street Beresford House

Post town Town Quay


County/Region Southampton

Postcode S O 1 4 2 A Q

Country

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

AM03 Notice of Administrator's Proposals

| | | | |
|---------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| 6 | | Statement of proposals | |
| | | <input checked="" type="checkbox"/> 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 | ① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021) |
| | | I attach a statement of disposal | |
| 8 | | Sign and date | |
| Administrator's Signature | Signature X  | | X |
| Signature date | d 2 0 m 0 9 y 2 0 y 2 1 | | |

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 | Tauseef A Rashid | | | | | | | | | |
| Company name | Quantuma Advisory Limited | | | | | | | | | |
| | | | | | | | | | | |
| Address | Office D | | | | | | | | | |
| | Beresford House | | | | | | | | | |
| | | | | | | | | | | |
| Post town | Town Quay | | | | | | | | | |
| County/Region | Southampton | | | | | | | | | |
| Postcode | S | O | 1 | 4 | | 2 | A | Q | | |
| Country | | | | | | | | | | |
| DX | info@quantuma.com | | | | | | | | | |
| Telephone | 02380336464 | | | | | | | | | |



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.



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DX 33050 Cardiff.



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Continuation page

Name and address of insolvency practitioner

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

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

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

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

❶ You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Brian

Surname

Johnson

3 Insolvency practitioner's address

Building name/number

Quadrant House

Street

Post town

4 Thomas More Square

County/Region

London

Postcode

E 1 W 1 Y W

Country

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

**In the Business and Property Courts in England & Wales Reference No.
CR-2021-001401**

Fruehauf Ltd (In Administration)

THE JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

Carl Jackson, Tauseef A Rashid

Quantuma Advisory Limited

Office D, Beresford House, Town Quay, Southampton, SO14 2AQ

And

Brian Johnson

UHY Hacker Young LLP

Quadrant House, 4 Thomas More Square, London, E1W 1YW

Joint Administrators

20 September 2021

Disclaimer Notice

- This Statement of Proposals has been prepared by Carl Jackson, Tauseef A Rashid and Brian Johnson, the Joint Administrators of Fruehauf Ltd, solely to comply with their statutory duty under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- Any estimated outcomes for creditors included in this Statement of Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this document for any purpose or in any context other than under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Statement of Proposals.
- The Joint Administrators act as agent for Fruehauf Ltd and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Quantuma Advisory Limited and UHY Hacker Young LLP do not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

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Fruehauf Ltd (In Administration)**The Joint Administrators' Statement of Proposals****1. Executive Summary**

- 1.1 This Statement of Proposals is being delivered to creditors on 20 September 2021.
- 1.2 On 05 August 2021, Carl Jackson and Tauseef A Rashid of Quantuma Advisory Limited, together with Brian Johnson of UHY Hacker Young LLP, were appointed Joint Administrators of the Company, following an Administration Order granted by the Court on the application of the Board of Directors.
- 1.3 The Joint Administrators are currently pursuing the third statutory objective of realising property in order to make a distribution to secured and preferential creditors.
- 1.4 A summary of the current and anticipated future positions are detailed below.

Assets

| Asset | Realisations to date | Anticipated future realisations | Total anticipated realisations |
|------------------------------|-----------------------------|----------------------------------------|---------------------------------------|
| Goodwill and IPR | Nil | 100,000 | 100,000 |
| Equity in Financed Equipment | 64,824 | 22,776 | 87,600 |
| Tangible Fixed Assets | 379,176 | 133,224 | 512,400 |
| Stock | 406,000 | 144,000 | 550,000 |
| Book Debts | 113,278 | 92,160 | 205,438 |
| Intercompany Debtors | Nil | Uncertain | Uncertain |

Expenses

| Expense | Expense incurred to date | Anticipated further expense | Total anticipated expense |
|-----------------------------------------------------------|---------------------------------|------------------------------------|----------------------------------|
| Quantuma Advisory Pre-Appointment Costs | 38,969 | Nil | 38,969 |
| Pre-Appointment Agent's Costs | 2,705 | Nil | 2,705 |
| Pre-Administration Legal Fees - Gateleys | 150 | Nil | 150 |
| Pre-Administration Legal Fees (Applicants) | 38,755 | Nil | 38,755 |
| Pre-Administration Legal Costs (Iain McKeand/Red Circle) | 8,000 | Nil | 8,000 |
| Joint Administrators' fees – Quantuma Advisory Limited | 213,526 | 136,985 | 350,511 |
| Joint Administrators' fees – UHY Hacker Young LLP | 54,100 | 54,550 | 108,650 |
| Office Holders' Disbursements – Quantuma Advisory Limited | 75 | 285 | 1,000 |
| Office Holder's Disbursements – UHY Hacker Young LLP | 960 | Nil | 960 |
| Solicitors' fees – Howes Percival | 34,300 | 20,700 | 55,000 |
| Solicitors' fees - Gateley | 6,150 | Nil | 6,150 |
| Agents' fees | 54,886 | Nil | 54,886 |
| Debt collection fees | 9,216 | Nil | 9,216 |
| Insurance | 10,000 | Nil | 10,000 |
| Storage/collection of records | Nil | 1,500 | 1,500 |

Fruehauf Ltd (In Administration)**The Joint Administrators' Statement of Proposals**

| | | | |
|---------------|--------|--------|---------|
| Pension Agent | Nil | 5,000 | 5,000 |
| Trading Loss | 56,299 | 43,701 | 100,000 |

Dividend prospects

| Creditor class | Distribution / dividend paid to date | Anticipated distribution / dividend |
|----------------------------------|--------------------------------------|-------------------------------------|
| Secured creditor (Red Circle) | Nil | 6.17p |
| Secured creditor (Iain McKeand) | Nil | Nil |
| Preferential creditors | Nil | 100p |
| Secondary preferential creditors | Nil | 30.35p |
| Unsecured creditors | Nil | Nil |

1.5 Definitions of the terms used in this Proposal are provided in Appendix I.

2. Background to the Company

- 2.1** The business was incorporated in March 2010 and commenced trading around mid 2011. It was a leading UK manufacturer of tipping trailers, with reportedly 90% of the market share. It traded from premises at Invicta Works, Houghton Road, Grantham, NG31 6JE.
- 2.2** The Company build a range of tipper and rigid trailers and was renowned for production, quality control systems and techniques, with all fabrication processes, shot blasting and painting performed in-house.
- 2.3** The directors of the Company are Iain McKeand, David Thomson and Navneet Ahluwalia. Rachel Turner and Red Circle Investments Limited were appointed as directors on 3 August 2021, following the Administration application but prior to the granting of the Administration order. Both Ms Turner and Red Circle Investments Limited are connected to Mr McKeand.
- 2.4** Statutory information on the Company and extracts from the most recent accounts are provided at Appendix II. Please note that the finance director has advised that there are disputed intercompany transfers in the draft 2020 accounts, which are disputed and being investigated further. This information has not been verified by the Joint Administrators.

3. Events leading to the Administration

- 3.1** The Company's difficulties can be attributed to the change in trading terms with the EU following Brexit, coupled with the disruptive effects of Covid-19 to the supply distribution chain and a global shortage of materials (particularly electronics), which has resulted in a marked reduction in sales volume and gross margins.
- 3.2** The factory has had to close periodically and the Company has utilised the Government furlough scheme due to the slowdown in the business.
- 3.3** The Company's draft accounts for the year ended 30 September 2020, show a significant loss for the year of £2.7m.
- 3.4** Two of the Company's directors, David Thomson and Navneet Ahluwalia advised that they had concerns with the way that the Company had been run prior to their appointment as directors, the validity of the outstanding debentures over the Company's assets and the significant debts owed by group undertakings.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

3.5 David Thomson and Navneet Ahluwalia had decided to take steps to make an application to the Court to appoint Administrators over the Company. Quantuma Advisory Limited were first approached by the Company on 27 July 2021 and subsequently instructed on 30 July 2021. The Directors' application was filed on 3 August 2021.

3.6 UHY Hacker Young LLP were instructed by Iain McKeand, a director of the Company, in both his personal capacity as a secured creditor and on behalf of Red Circle Investments Limited, also a secured creditor, on 4 August 2021 to provide advice and an analysis for the Court hearing on 5 August 2021 in respect of:

- the proposed restructuring of the Company;
- to comment on the application to appoint administrators; and
- to comment on the cash flow included with the directors' application.

A letter was provided to Mr McKeand on 5 August 2021, to present at the Court hearing.

3.7 At the adjourned hearing held on 5 August 2021, the Court appointed Carl Jackson and Tauseef Rashid of Quantuma Advisory Limited as Joint Administrators of the Company along with Brian Johnson of UHY Hacker Young LLP.

3.8 Attached, at Appendix III, is an account of the work undertaken prior to the Joint Administrators' appointment and the costs associated with that work.

3.9 These proceedings are COMI proceedings.

3.10 In compliance with the data protection legislation, creditors, employees, shareholders, directors and any other stakeholder who is an individual (i.e not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link <http://www.quantuma.com/legal-notices>.

Ethical Considerations

3.10 Prior to the Joint Administrators' appointment, a review of ethical issues was undertaken and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment to date.

4. The Objective of the Administration

4.1 Administrators must perform their functions with the objective of:

- rescuing the company as a going concern;
- or if that is not possible, then achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration);
- or if that is not possible, realising property in order to make a distribution to one or more secured or preferential creditors.

4.2 The Joint Administrators would comment that Iain McKeand, who is a director and chargeholder of the Company, advised that his preference would be for the Company to exit Administration into a company voluntary arrangement ("CVA") as soon as

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

possible. As the Company was loss-making it was not possible to propose a CVA without obtaining funding from an external party. UHY Hacker Young LLP were therefore tasked with liaising with Iain McKeand to review whether a CVA was feasible. Iain McKeand took steps to meet with potential funders however was unable to raise the necessary finance and therefore this was not considered to be a viable option.

- 4.3** The second objective is normally achieved by means of a sale of the business and assets as a going concern or a more orderly sales process than in Liquidation.
- 4.4** While the swift steps taken by the Joint Administrators have enhanced realisation prospects to some classes of creditor, the Joint Administrators do not believe that the dividend (if any) to unsecured creditors will be improved over that which could have been achieved via a Liquidation alone. Accordingly, the Joint Administrators do not consider it likely that the second objective will be achieved.
- 4.5** The Joint Administrators would comment that the third objective will be achieved, as they expect to pay a distribution to the Company's secured and preferential creditors.
- 4.6** A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

5. Events since the Joint Administrators' Appointment

- 5.1** Immediately upon appointment, the Joint Administrators undertook a review of the Company's affairs with particular regard to its financial and resource requirements. This assessment was carried out in liaison with the remaining management of the Company.
- 5.2** It was agreed that whilst Quantuma Advisory Limited would deal with the trading of the business, UHY Hacker Young LLP would liaise with Iain McKeand to investigate the possibility of an investment into the Company to facilitate a potential proposal for a CVA. This included gathering information from the Company for Mr McKeand to be able to liaise with potential funders.
- 5.3** Concurrently, UHY Hacker Young LLP attended regular meetings with the Joint Administrators from Quantuma and their team to agree and review the strategy for the Administration, including discussions regarding continued trading, cashflow, the marketing of the business and assets and the progress in respect of the possible CVA.
- 5.4** Once Mr McKeand confirmed on 26 August 2021, that he and his backers would not be progressing with a possible CVA, Brian Johnson and his team liaised with his Joint Administrators regarding offers received for the business and assets and final acceptance of an offer and the format of the deal.

Trading

- 5.5** Further to an initial review undertaken by the Joint Administrators, it was decided that it would be advantageous for a continued period of trading to be undertaken during the Administration to allow the Joint Administrators to fully review the options available to the Company to determine the most appropriate strategy.
- 5.6** The Joint Administrators have worked with current staff to ascertain what critical supplies were needed in order to complete work in progress and to preserve the value of the business. During the trading period five trailers have been completed, which has resulted in sales for the trading period of £102,382.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

- 5.7** As some invoices had already been raised prior to appointment, these are therefore reflected as book debts on the Receipts and Payments Account at Appendix VI. A receipt of £41,555 has been realised to date and a further receipt of £39,600 is due imminently, which would have been irrecoverable had trading ceased as the trailers had not been completed and delivered.
- 5.8** In addition, spare part sales totalling £14,179 have been made during the trading period.
- 5.9** The Joint Administrators have utilised HMRC's Coronavirus Job Retention Scheme and most employees have been placed on full or part furlough to reduce trading costs. To date furlough funds of £60,964 have been received and a further sum of circa £73,000 is due imminently.
- 5.10** A significant amount of time has been spent by the Joint Administrators and the team at Quantuma Advisory Limited in managing trading operations, which is made up of visits to the site, regularly reviewing and updating cashflow forecasts, dealing with employee matters, negotiating with suppliers and liaising with customers. Due to the complexities of trading, a lot of time has been incurred by more senior staff.
- 5.11** The Joint Administrators are in the process of finalising their trading accounts but it is currently forecasted that a loss of c£100k will be incurred, which excludes the book debt receipts referred to above at 5.7. If these receipts are considered in relation to the trading position, as payment would not have been made if trading had ceased, the estimated trading loss is reduced to c£25k. It is considered that this loss is justified as the value realised for the assets is enhanced compared to what would have been realised if they were sold on a break-up basis.

The sale of the Company's business and assets

- 5.12** The Joint Administrators concluded a sale of the Company's business and assets on 3 September 2021, to an unconnected party, MV Fruehauf Limited. All negotiations were carried out post appointment and therefore it is not considered that the sale constituted a pre-pack. However the requirements for a SIP 16 disclosure apply when a business is disposed of "shortly after" appointment. As this definition is vague, for completeness a full SIP 16 sale disclosure has been included at Appendix IV.
- 5.13** Of the total sale consideration of £1,250,000, £850,000 has been received to date and the remaining £400,000 will be collected once the secured charges over the Company have been released. The balance of the consideration has been secured by way of a guarantee from MV Commercial Limited.

Book Debts

- 5.14** On the Joint Administrators' appointment, the value of the Company's sales ledger was £601,037. To date realisations of £113,278 have been made including the invoice relating to the sale of the trailer, as set out above.
- 5.15** The Joint Administrators have completed an initial review of the debtor ledger and after allowing for known bad debts and a bad debt provision of 30% on the balance, it is anticipated that a total of £205,438 will be realised.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Intercompany Debtors

- 5.16** The Company's records show that the sum of £2,158,806 is owed by connected companies. The Joint Administrators are currently undertaking a full review of the intercompany balances and at present it is uncertain what recoveries are anticipated.

Equity in Financed Assets

- 5.17** The Company had various items of plant and machinery which were subject to finance agreements. These agreements were reviewed by the Joint Administrators' agents, SIA Group Asset Ingenuity Limited, who determined that there was only equity in one finance agreement.
- 5.18** This was included in the sale to MV Fruehauf Limited and the sum of £87,600 has been allocated in this regard.

Other steps taken as regards assets

- 5.19** The Joint Administrators made immediate contact with the Company's bankers in order to freeze the Company's bank accounts and to request the transfer of any credit balances to the Joint Administrators' control. Post appointment receipts totalling £12,431 relating to book debts have been transferred to the Administration account.

Steps taken as regards creditors

- 5.20** Immediately following the appointment of the Joint Administrators, members of the Joint Administrators' staff attended the Company's site to advise employees of the Joint Administrators' appointment.
- 5.21** The employees have transferred under TUPE to MV Fruehauf Limited as part of the sale of the business that has been completed. This has mitigated the position for creditors as a whole and the only employee claims that are expected relate to two employees that were previously made redundant and outstanding pension contributions.
- 5.22** Additionally, the Joint Administrators' staff have undertaken a review of the Company's pension arrangements and have made the statutory notifications required to The Pensions Regulator and The Pension Protection Fund. The Joint Administrators have instructed specialist pension agents, Clumber Consultancy Limited, to complete a review of the scheme and to assist with a claim to the Redundancy Payments Service for unpaid pension contributions.
- 5.23** The Joint Administrators' staff have handled creditors' queries as they have arisen, which has included telephone calls and correspondence.

Instruction of specialists

- 5.24** When instructing third parties to provide specialist advice and services or having the specialist services provided by their own firms, the Joint Administrators are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firms review annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

- 5.25** The Joint Administrators initially instructed Gateley Solicitors to advise in respect of legal matters. It was identified that Gateley are also acting for liquidators of a connected company and therefore to ensure independence the Joint Administrators took steps to appoint a new legal advisor.
- 5.26** The Joint Administrators have now instructed Howes Percival LLP to advise in respect of all legal issues arising on the sale of business and assets and have been assisting the Joint Administrators with matters arising in the Administration.
- 5.27** Legal advice is also being obtained in relation to the validity of the debentures over the Company's assets.
- 5.28** SIA Group Asset Ingenuity Limited, a firm of valuers and auctioneers, were instructed by the Joint Administrators to undertake inventories and valuations of the Company's chattels and intangible assets where appropriate. The agents also advised on the best method of disposal of those assets and have assisted with carrying out a full marketing process.
- 5.29** The Joint Administrators have also instructed Clumber Consultancy Limited who are specialist agents with experience of dealing with pension schemes in insolvency situations to complete a review of the scheme and to assist with making a claim for the outstanding contributions to the Redundancy Payments Service.
- 5.30** The purchaser of the business, MV Fruehauf Limited, has been instructed to assist with the collection of the outstanding book debts and a debt collection fee of 10% has been agreed in this regard.
- 5.31** The basis upon which the professional fees above have been agreed is outlined in the Explanatory Notes to the Joint Administrators' Expenses Estimate at Appendix VIII. All charges will be reviewed by the Joint Administrators' staff before being approved for payment.

Investigation into the Company's affairs prior to the Administration

- 5.32** The Joint Administrators have commenced a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a report to be submitted to the Insolvency Service on the conduct of the Company's directors.
- 5.33** Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

6. The Statement of Affairs and the Outcomes for Creditors

- 6.1** To date, the directors have not submitted a signed Statement of Affairs. The Estimated Financial Position of the Company, together with a list of creditors, is attached at Appendix V. These details have been extracted from the Company's records and therefore no warranty can be given to the accuracy of the details given. The Joint Administrators have not carried out any work of the nature of an audit on the information.
- 6.2** In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Prospects for creditors

- 6.3 Attached, at Appendix VI, is the Joint Administrators' receipts and payments account for the period from 5 August 2021 to 20 September 2021.
- 6.4 Also attached is a receipts and payments account for the period of trading after appointment. This is not the complete position as the account is still being finalised.
- 6.5 Attached, at Appendix VII, is an Estimated Outcome Statement, which illustrates the anticipated outcomes for creditors. It sets out the total anticipated realisations and the financial benefit that the work undertaken by the Joint Administrators is expected to generate for creditors.

Secured creditors

The Company has two charges registered against it as follows:

- Red Circle Investments Limited – debenture created on 2 May 2019
- Iain McKeand – debenture created on 22 August 2019

Two of the Company's directors have raised concerns regarding the validity of these charges and the Joint Administrators are currently reviewing the position further in conjunction with their solicitors.

Preferential Creditors

As the employees have transferred to MV Fruehauf Limited as part of the sale of the business, it is not anticipated that there will be any preferential claims for unpaid wages or holiday pay.

It is advised there are unpaid pension contributions and it is anticipated that the preferential element of this claim will be in the region of £17,000.

Secondary Preferential Creditors

- 6.6 The Company's records show that there are outstanding sums as follows to HM Revenue and Customs, which will rank as secondary preferential claims:

| | |
|-------------------------------|-------------------|
| Unpaid PAYE and Employees' NI | £ 391,127 |
| Unpaid VAT | £1,411,231 |
| Total | £1,802,358 |

- 6.7 The Act requires administrators to make a prescribed part of a company's net property, which is the balance remaining after discharging the preferential and secondary preferential claims but before paying the floating charge-holder, for the benefit of unsecured debts.
- 6.8 It is uncertain whether there will be sufficient realisations to settle the claims of the secondary preferential creditors in full as this is reliant upon a high recovery from the intercompany debtors. These debtors are still in the process of being reconciled and realisations are therefore currently uncertain. All entities are currently active and some realisations are expected.

7. The Joint Administrators' Fees

- 7.1 The Joint Administrators propose to fix their fees on the following basis:

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

- (i) the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Quantuma Advisory Limited and UHY Hacker Young LLP at the time the work is performed as outlined in the Joint Administrators' Fee Estimate;

7.2 Quantuma Advisory Limited's Fees Estimate together with explanatory notes is attached at Appendix VIII. UHY Hacker Young LLP's Fees and Expenses Estimate is attached at Appendix XI. Attached, at Appendices IX and XIII, are breakdowns of the time costs incurred in the Administration to 20 September 2021 and the charge-out rates of the Joint Administrators and their staff are provided at Appendices X and XI.

7.3 The Estimated Outcome Statement at Appendix VII provides an overview of the financial benefit that this work is expected to bring to creditors.

7.4 Creditors may access a Guide to Administrators' Remuneration effective from 1 April 2021 at <http://www.quantuma.com/guide/creditors-guide-fees> or a hard copy will be provided on request free of charge.

8. The Joint Administrators' Expenses

8.1 Attached at Appendix VIII are details of the expenses that the Joint Administrators expect to incur in the Administration.

8.2 Expenses fall into two categories: Category 1 and Category 2.

- Category 1 expenses are payments to persons providing the service to which the expense relates who are not associates of the Joint Administrators. Administrators may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.
- Category 2 expenses are payments to associates or which have an element of shared costs. Payments may only be made in relation to Category 2 expenses after the relevant creditors have approved the bases of their calculation.

8.3 Appendix VIII provides details of the bases of Category 2 expenses that the Joint Administrators propose to recover from the insolvent estate.

9. The Joint Administrators' Discharge

9.1 The Joint Administrators' appointment was made under Paragraph 10 of Schedule B1 to the Act upon the application to the court. Therefore, the Act requires that an application to court prior to ceasing to act be made by the Joint Administrators to obtain their discharge from liability.

10. Approval Process

Approval of the Statement of Proposals

10.1 Attached at Appendix XII is a summary of the Joint Administrators' Statement of Proposals. For further information on how the Company's affairs will continue to be managed, if these Proposals are approved, please refer to Appendix VIII and Appendix XI, which sets out in detail what further work the Joint Administrators propose to undertake.

10.2 The Joint Administrators think that neither of the first two Administration objectives can be achieved.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Therefore, pursuant to Paragraph 52(1)(c) of Schedule B1 of the Act, the Joint Administrators are not required to seek creditors' approval of the Statement of Proposals.

10.3 Notwithstanding this, the Joint Administrators shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Joint Administrators within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision.

10.4 If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules.

Other Decisions

10.5 The Joint Administrators are inviting creditors to decide on the following matters:

- Whether to establish a creditors' committee.

In the event that a creditors' committee is not established:

- The basis on which the Joint Administrators' fees shall be fixed;
- The approval of the unpaid pre-Administration costs;
- The approval of the basis of Category 2 expenses.

The timing of the Joint Administrators' discharge from liability will be decided by the Court.

10.6 Attached at Appendix XIII are the relevant notices and forms required to assist creditors in submitting a vote in these proceedings.

Should you have any queries in regard to any of the above please do not hesitate to contact Alison Broeders on 02380 821 874 or by e-mail at Alison.Broeders@quantuma.com.

Dated this 20 September 2021

Tauseef A Rashid, Carl Jackson and Brian Johnson
Joint Administrators of Fruehauf Limited

Carl Jackson and Tauseef A Rashid of Quantuma Advisory Limited and Brian Johnson of UHY Hacker Young LLP were appointed Joint Administrators of Fruehauf Ltd on 05 August 2021. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Appendix I: Definitions

| | |
|----------------------------|---------------------------------------------------------------------------------------------------------------------|
| The Act | The Insolvency Act 1986 |
| The Rules | The Insolvency (England & Wales) Rules 2016 |
| The Statement of Proposals | The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act |
| The Joint Administrators | Carl Jackson and Tauseef A Rashid |
| The Company | Fruehauf Ltd (in Administration) |
| The Court | Business and Property Courts in England & Wales |
| EBIT | Earnings before interest and tax |
| SPA | Sale & Purchase Agreement |
| RPS | The Redundancy Payments Service |
| HMRC | HM Revenue & Customs |
| ROT | Retention of Title |
| EOS | Estimated Outcome Statement |
| PP or Prescribed Part | The Prescribed Part of the Company's net property subject to Section 176A of the Act |
| QFCH | Qualifying Floating Charge Holder |
| SIP | Statement of Insolvency Practice (England & Wales) |
| TUPE | Transfer of Undertakings (Protection of Employment) Regulations |

Fruehauf Ltd (In Administration)**The Joint Administrators' Statement of Proposals****Appendix II: Statutory and Financial Information**

| | |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company name | Fruehauf Ltd |
| Previous name(s) | Tagtime Limited (changed 18/06/2010) |
| Proceedings | In Administration |
| Court | Business and Property Courts in England & Wales |
| Court reference | CR-2021-001401 |
| Date of appointment | 05 August 2021 |
| Appointed by | High Court of Justice |
| Joint Administrators | Carl Jackson and Tauseef A Rashid Quantuma Advisory Limited Office D, Beresford House, Town Quay, Southampton, SO14 2AQ Brian Johnson UHY Hacker Young LLP Quadrant House, 4 Thomas More Square, London, E1W 1YW |
| Statement required by Paragraph 100(2) of Schedule B1 of the Act | The Joint Administrators are authorised to carry out all functions, duties and powers by either one or by both of them |
| Registered office | c/o Quantuma Advisory Limited, Office D, Beresford House, Town Quay, Southampton, SO14 2AQ |
| Company number | 07176536 |
| Incorporation date | 03/03/2010 |
| Company Secretary at date of appointment | None |
| Directors at date of appointment | Iain McKeand David Thomson Navneet Ahluwalia Rachel Turner Red Circle Investments Limited |
| Directors' / Secretary's shareholdings | Red Circle Investments Limited – 100% |

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Summary Profit and Loss Account

| | Draft Management Accounts for year to 30/06/2021 | DRAFT Audited Statutory Accounts for year to 30/09/2020 | Audited Statutory Accounts for year to 30/09/2019 |
|------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------|
| | £ | £ | £ |
| Turnover | 6,660,684 | 13,046,594 | 23,706,056 |
| Cost of Sales | (5,074,282) | (11,358,972) | (18,669,670) |
| Gross Profit | 1,586,402 | 1,687,982 | 5,036,000 |
| Gross Margin % | 24% | 12.9% | 21.2% |
| Other Expenses | (3,195,327) | (4,543,459) | (5,147,590) |
| Other Operating Income | - | 483,211 | 1,527 |
| (L)/EBIT | (1,068,925) | (2,372,266) | (109,636) |

Summary Balance Sheet

| | Draft Management Accounts for year to 30/06/2021 | DRAFT Audited Statutory Accounts for year to 30/09/2020 | Audited Statutory Accounts for year to 30/09/2019 |
|--------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------|
| | £ | £ | £ |
| Tangible assets | 103,893 | - | 149,287 |
| Intangible assets | 1,022,721 | 1,265,084 | 1,229,107 |
| Fixed assets | 1,126,614 | 1,265,085 | 1,378,394 |
| Current Assets | | | |
| stock | 3,343,451 | 2,077,267 | 3,523,846 |
| debtors | 2,933,328 | 2,541,187 | 4,532,323 |
| cash | 72,065 | 130,176 | 231,786 |
| | 6,348,844 | 4,748,630 | 8,287,955 |
| Liabilities | | | |
| Falling due in one year | (6,856,609) | (5,721,292) | (7,099,196) |
| Falling due after more than one year | (784,831) | (1,070,080) | (647,459) |
| Total Liabilities | (7,641,440) | (6,851,372) | (7,746,655) |
| Net Assets | (165,983) | (837,657) | 1,919,659 |

The accounts have not been verified by the Joint Administrators for accuracy.

The Joint Administrators have been advised that the draft audited accounts for the year ended 30 September 2020 have not been approved by the Board of Directors and reflect transactions and intercompany transfers which are not considered to be valid by all of the directors.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Appendix III: Statement of Pre-Administration Costs

Pre-administration costs are defined in the Insolvency Rules as fees charged and expenses incurred by the Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the company entered Administration but with a view to its doing so.

This statement outlines those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

On 30 July 2021 the Company agreed with the proposed Joint Administrators that Quantuma Advisory Limited be paid fees for work done prior to the Administration on the basis of time costs incurred by the insolvency practitioners and their staff at their standard charge-out rates plus VAT and related expenses for the following tasks and matters that were considered to be necessary to placing Fruehauf Ltd into Administration.

Prior to Administration, the proposed Joint Administrators, Carl Jackson and Tauseef Rashid of Quantuma Advisory Limited, gathered information on the Company to ensure that they were in a position to consent to act as Joint Administrators and to formulate an initial strategy for pursuing achievement of an Administration objective. Browne Jacobson LLP Solicitors were engaged to assist with preparing the Administration application by the Board of Directors and the proposed Joint Administrators spent time liaising with the Solicitors to provide information required for the Court application. This work was carried out prior to Administration so that there would be no delay in the Joint Administrators implementing the strategy immediately on appointment. In this way, the business could be maintained as a trading entity on Administration, which improved the likelihood that enhanced realisations could be achieved for the business and assets.

Following this statement is a breakdown of the time costs of the Joint Administrators and their staff incurred prior to Administration.

Included within Appendix X are Quantuma Advisory Limited's charge-out rates and bases of expenses.

As confirmed above, Browne Jacobson LLP were instructed by the Board of Directors to provide legal advice to the Company and the proposed Administrators. It was agreed that their services would be provided on a time costs basis and consequently costs of £27,706.50 plus VAT were incurred in the pre administration period. In addition they have incurred expenses as follows:

- Counsel's fees £10,800 plus VAT
- Court Fee £280
- Courier Fees £15 plus VAT

These costs were approved by the Court to be paid as an expense of the Administration at the hearing held on 5 August 2021.

UHY Hacker Young LLP were instructed by Iain McKeand, a director of the Company, in both his personal capacity as a secured creditor and on behalf of Red Circle Investments Limited, also a secured creditor, on 4 August 2021 to provide advice and an analysis for the court hearing on 5 August 2021 in respect of:

- the proposed restructuring of the Company;
- to comment on the application to appoint administrators; and
- to comment on the cash flow included with the directors' application.

A letter was provided to Mr McKeand on 5 August 2021, to present at the court hearing.

A fixed fee of £2,500 plus VAT was requested from the debenture holders. In accordance with the Court order dated 5 August 2021, the costs of the debenture holders are to be treated as an expense of the administration, capped at £8,000 inclusive. Therefore, approval of this fee is not required by the creditors.

Fruehauf Ltd (In Administration)**The Joint Administrators' Statement of Proposals**

A summary of the total costs incurred together with details of those which were paid pre-Administration and the amounts remaining outstanding, follows below:

| | Total cost incurred | Amount already Paid | Identity of party who made payment | Amount Outstanding |
|---------------------------------------------------------------------------|----------------------------|----------------------------|-------------------------------------------|---------------------------|
| | £ | £ | | £ |
| Quantuma Advisory Limited Administrators' pre-administration Remuneration | 38,968.50 | Nil | N/A | 38,968.50 |
| Pre-administration Expenses: | | | | |
| Agent's Fees – Proudley Associates | 2,705.00 | Nil | N/A | 2,705.00 |
| Legal costs - Gateley | 150.00 | Nil | N/A | 150.00 |
| Legal costs – Applicant* | 38,801.50* | Nil | N/A | 38,801.50* |
| Legal costs – Red Circle/IM* | 8,000.00* | Nil | N/A | 8,000.00* |
| Total Unpaid Pre-Administration Costs Outstanding | 88,475.15 | | | 88,475.15 |

As set out above, the legal costs associated with the application to the Court for the appointment of administrators incurred by Browne Jacobson LLP and Red Circle Investments Limited/Iain McKeand Limited, which are marked with an asterisk above have already been approved by the Court. I am therefore only seeking to obtain approval for the costs incurred as set out above as an expense of the Administration.

The payment of the unpaid and unapproved pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Time Entry - Detailed SIP9 Time & Cost Summary

6009182 - Fruehauf Ltd

To: 08/09/2021

All Pre Appointment Project Codes

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|-------------------------------------------------|--------------|--------------|----------------------------|----------------------------|--------------|------------------|-------------------------|
| 100 : Administration & Planning | 17.50 | 8.50 | 2.50 | 0.00 | 28.50 | 13,760.00 | 477.78 |
| 104 : General Administration | 2.50 | 1.10 | 0.50 | 0.20 | 4.30 | 1,692.50 | 395.00 |
| 105 : Case Strategy / Review | 5.00 | 0.00 | 0.00 | 0.00 | 5.00 | 1,935.00 | 387.00 |
| Admin & Planning | 25.00 | 9.60 | 3.00 | 0.20 | 38.10 | 17,443.60 | 457.85 |
| 651 : Initial Pre Appr CDD & Checks Issuing Loe | 0.00 | 1.20 | 0.00 | 1.80 | 3.00 | 783.00 | 157.60 |
| 652 : IPS Case Set Up | 0.00 | 0.00 | 0.00 | 0.30 | 0.30 | 30.00 | 100.00 |
| 653ADU : Initial Advice | 7.40 | 0.00 | 0.00 | 0.00 | 7.40 | 3,047.00 | 411.75 |
| 656ADU : Appointment Documentation | 0.00 | 4.00 | 0.00 | 0.00 | 4.00 | 1,350.00 | 340.00 |
| 657ADU : Other ADU pre appointment activities | 29.20 | 0.00 | 10.40 | 0.00 | 39.60 | 16,300.00 | 411.62 |
| Pre Appointment | 36.60 | 5.20 | 10.40 | 4.10 | 66.30 | 21,625.00 | 382.33 |
| Total Hours | 61.60 | 14.80 | 13.70 | 4.30 | 94.40 | 33,983.60 | 412.60 |
| Total Fees Claimed | | | | | | 0.00 | |

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Appendix IV: SIP16 Statement

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Business and Property Courts in England & Wales Court No. CR-2021-001401

**Fruehauf Ltd
In Administration**

PRE PACK SALE DISCLOSURE

**Carl Jackson and Tauseef A Rashid
Quantuma Advisory Limited
Office D, Beresford House, Town Quay, Southampton, SO14 2AQ**

And

**Brian Johnson
UHY Hacker Young LLP
Quadrant House, 4 Thomas More Square, London, E1W 1YW**

**Joint Administrators
02380336464**

Initially circulated to creditors on 10 September 2021

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

In accordance with SIP 16, we provide details regarding the sale of the Company's business and assets ("the Sale") and the events leading up to the Sale.

The Company's business and assets have been sold following a three week period of marketing whilst the Joint Administrators continued to trade the business. A pre-pack is defined by SIP 16 as a sale that completes 'immediately or shortly after appointment'. In this instance the sale has completed four weeks after the appointment of the Joint Administrators and is not a typical pre-pack as no negotiations were carried out prior to the appointment. However, as the definition of "shortly after" is unclear, the Joint Administrators are therefore providing a SIP16 disclosure in the interests of transparency.

The primary function of an Administrator is to achieve one of the objectives set out in the Insolvency Act. In this case, the statutory purpose pursued is to realise property in order to make a distribution to secured and preferential creditors. Although it is considered that the sale of the business has resulted in a higher realisation than if a break-up sale was completed, the Joint Administrators do not believe that the dividend to unsecured creditors will be improved and therefore do not consider that the second objective, to achieve a better result for creditors as a whole, can be achieved.

This transaction enables the statutory purpose to be achieved and in our view the outcome achieved was the best available outcome for creditors as a whole in all the circumstances. We provide below an explanation and justification of why a sale was undertaken.

The Roles of the Insolvency Practitioners

In most cases involving a pre-packaged sale, an insolvency practitioner's firm is initially engaged by the insolvent company to help its board of directors to consider the Company's options for resolving its financial difficulties and/or for arranging an orderly winding up of its affairs. If it is decided that an Administration is appropriate, the Company may then instruct the insolvency practitioner's firm to assist the Company or its directors to issue the statutory notices to commence the process and to assist the Company to take steps towards selling its business and assets to achieve the best available outcome for creditors as a whole in all the circumstances.

Once appointed as administrator, the role of the insolvency practitioner is to manage the Company's affairs, business and assets with the objective of achieving a statutory purpose of an administration. In the event of a pre-packaged sale, this involves concluding a sale of the business and/or assets shortly after the Administration has begun. When either assisting the Company before Administration or acting as an administrator, the insolvency practitioner's role is not to advise the directors personally or any parties connected with any potential purchaser, who are encouraged to take independent advice.

In this case, prior to commencement of the Administration, Quantuma Advisory Limited acted as advisors to the majority of the Board of Directors in relation to the options for the Company. For the avoidance of doubt, neither Quantuma Advisory Limited nor its insolvency practitioners advised the directors personally or any parties connected with the purchaser, who were encouraged to take independent advice. At all times prior to Administration, the Board of Directors remained responsible for and in control of the Company's affairs.

Immediately on our appointment as Joint Administrators, officers of the court and as agents of the Company, we took over from the Board the responsibilities of managing the affairs, business and property of the Company.

Insolvency practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Joint Administrators observed the Code in all our activities both prior to and after our appointment.

Initial Introductions

Quantuma Advisory Limited was initially approached by two of the Company's three directors, David Thomson and Navneet Ahluwalia, on 27 July 2021, to advise on the options available for the Company, as it was deemed to be insolvent. They instructed solicitors to make an application to the Court for the

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

appointment of Administrators and Carl Jackson and Taz Rashid of Quantuma Advisory Limited consented to be appointed as Joint Administrators.

It should be noted that Iain McKeand, also a director of the Company and the holder of a qualifying floating charge in respect of the assets of the Company, disagreed with the decision and proposed strategy of the majority directors. Red Circle Investments Limited, the parent company of Fruehauf Limited, who also hold a qualifying floating charge over the Company, also contested the proposed decision and strategy.

Pre-appointment Matters

The fee agreed with the majority of directors in respect of Quantuma Advisory Limited's pre-appointment advice was the time costs properly incurred by staff at Quantuma Advisory Limited's standard charge out rates. The Joint Administrators intend to seek to have these fees approved and paid from the insolvent estate in due course.

A signed engagement letter was received on behalf of the majority of the directors of the Company on 30 July 2021.

The Company carried on the business of the manufacturing of bodies for motor vehicles, trailers and semi-trailers from premises at Invicta Works, Houghton Road, Grantham, Lincolnshire, NG31 6JE.

The Company's difficulties can be attributed to the change in trading terms with the EU following Brexit, coupled with the disruptive effects of Covid-19 to the supply distribution chain and a global shortage of materials (particularly electronics). This had resulted in a marked reduction in sales volume and gross margins.

The factory has had to close periodically since the commencement of the pandemic and the Company has utilised the Government furlough scheme due to the slowdown in the business.

The Company's draft accounts for the year ended 30 September 2020 show a significant loss for the year of £2.7m.

David Thomson and Navneet Ahluwalia informed Quantuma Advisory Limited that they had concerns with the way that the Company had been run prior to their appointment as directors. They also had concerns with the debentures over the Company's assets and the significant debts owed by group undertakings.

The Company had granted the following security:

| Type of security | Name of charge-holder | Date of creation of security |
|------------------|--------------------------------|------------------------------|
| Debenture | Iain McKeand | 22 August 2019 |
| Debenture | Red Circle Investments Limited | 2 May 2019 |

UHY Hacker Young LLP were instructed by Iain McKeand in his personal capacity as a secured creditor of the Company and by Red Circle Investments Limited, on 4 August 2021 to provide advice and an analysis for the court hearing on 5 August 2021 in respect of:

- the proposed restructuring of the Company;
- to comment on the application to appoint administrators; and
- to comment on the cash flow.

A letter was provided to Mr McKeand on 5 August 2021, to support the arguments of the legal team representing Mr McKeand and Red Circle Investments Limited at the adjourned court hearing to consider the application for an administration order presented by the majority directors of the Company.

Mr McKeand argued that he had been in discussions with investors and funders with a view to refinancing the Company and that to place the Company into administration was premature.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

A fixed fee of £2,500 plus VAT was advised to the debenture holders. In accordance with the Court order dated 5 August 2021, the costs of the debenture holders are to be treated as an expense of the administration, capped at £8,000 inclusive. Approval of this fee is therefore not required from the creditors.

At the adjourned Court hearing held on 5 August 2021, the judge was concerned at the insolvency of the Company and decided that the protection of an administration order was required. In order to balance the interests of the Company and the secured creditors, Carl Jackson and Taz Rashid of Quantuma Advisory Limited along with Brian Johnson of UHY Hacker Young LLP were appointed as Joint Administrators of the Company.

The Joint Administrators' Options on Appointment

Immediately following appointment the Joint Administrators met with the Company's directors to ascertain the financial position. The cashflows prepared showed that the Company had sufficient funds to make critical payments for the next few weeks whilst a longer term strategy could be determined. The options considered are as follows:

Company Voluntary Arrangement ("CVA")

The first objective of an Administration is to rescue the Company as a going concern. The director of the Company and chargeholder, Iain McKeand, advised that his preference would be for the Company to be rescued by way of exiting the Administration via a CVA as soon as possible. As the Company was trading at a loss it was not possible to propose a CVA without obtaining funding from an external party. The Joint Administrators were therefore tasked with liaising with Iain McKeand to review whether a CVA was feasible. Iain McKeand took steps to meet with various potential funders however he was unable to raise the necessary finance and therefore this was not considered to be a viable option.

Longer Term Trading

As advised above, a review of the Company's cash-flow revealed that there would be insufficient working capital available to allow the Company to continue to trade in the medium to long term.

Financing was discussed with various parties:

- The Company's landlord had previously offered to provide funding to the Company however this offer was withdrawn.
- Iain McKeand was approached to fund and also took steps to meet with third party financiers but we understand was unable to raise the necessary funds.
- MV Commercial Limited, a party who had expressed an interest in purchasing the business and assets and provided an indicative offer letter pre-administration, also offered funding to the Company but this was strictly to purchase materials, which had a lead time of six weeks and therefore would not have a direct benefit for the immediate funding required for trading in Administration.

The Joint Administrators also considered mothballing the business and placing all of the employees on furlough while further marketing was undertaken. It was considered this would have a detrimental effect on the value of the goodwill and overall value of the business and continuing to trade with limited funds in the short term would enable some trailers to be finished and income to be derived.

Ceasing to Trade and Closure of the Business

The possibility of closing the business was considered however it was decided that this was not the best course of action to take as this would mean that all employees would be made redundant leading to an increase in the level of creditors. There would also have been no realisation for goodwill and debtor realisations would have been greatly affected.

Sale of the Business

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

The directors had already received an offer to purchase the business from MV Commercial Limited in the sum of £1.25m prior to the appointment of the Joint Administrators. It was therefore agreed that the Company would continue to trade in the short term whilst a period of marketing was undertaken to ascertain if the offer from MV Commercial Limited was the best offer that could be achieved and the other options were explored further.

As advised above, critical payments for the next few weeks could be met but there was insufficient working capital and no prospect of persuading new funding to allow medium-term trading to continue in order that the business and assets could be exposed more thoroughly to the market. The benefits of achieving a sale were the transfer of the employees and the absence of a break in supply of goods and services, which would enable a value to be achieved for goodwill.

The major creditors of the Company were invited to put forward an offer for the purchase of the business. As the sale was being conducted four weeks after the appointment of the Joint Administrators it was not considered necessary to have discussions with creditors prior to completion as the creditors were already aware of the Administration and the sale was considered to be the best available outcome.

To our knowledge, the business and assets sold were not previously purchased directly from an insolvent company.

Marketing of the Business and Assets

The directors were asked to provide information on any parties, of which they were aware, who would be interested in purchasing the business and assets of the Company.

The directors were asked to advise of any marketing conducted by the Company prior to approaching Quantuma Advisory Limited for advice. The two directors advised that Proudley Associates had been instructed to value the business and had placed an advert on IP-Bid.com to ascertain if there were any interested parties. Concurrently, we were advised that the two directors had been negotiating with MV Commercial Limited, as set out above.

To ensure there was a clear line of independence, the Joint Administrators instructed SIA Group Asset Ingenuity Limited ("SIA") to value the business. SIA were also later instructed to market the business and assets of the Company and were advised of all known interested parties.

The Marketing Strategy

It was agreed with the agent that the marketing and media coverage would include marketing the business as widely as possible, which involved advertising on the agents' and other websites including IP-Bid.com, social media platforms and direct marketing to competitors of the business.

As stated above, prior to the Joint Administrators appointment, Proudley Associates Limited had also placed the business for sale on IP-Bid.com.

Marketing was undertaken for a period of three weeks, which it was considered would give time for exposure of the business whilst balancing creditor pressure and the ongoing cashflow needs of the Company in administration. We were satisfied that this length of marketing achieved the best available outcome for creditors as a whole in all the circumstances.

The reasons for the marketing and media strategy adopted were:

- SIA has sector specific knowledge and experience in managing similar asset sales.
- SIA has a nationwide presence and a significant and longstanding history of assisting Insolvency Practitioners with business and asset sales.
- SIA frequently market business and asset sales through their databases and had recently completed a sale of a competitor business.
- IP-Bid.com is a well-established sales portal.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

The agents' marketing led to 64 initial expressions of interests, including the parties identified by Proudley Associates Limited, and of these 45 parties requested NDAs of which 25 were signed. A sales pack was issued to all those who returned signed NDAs. Following the deadline, four offers were received:

| Offeror | Consideration (£) |
|-----------------------------------------------------|------------------------------|
| MV Commercial Limited | 1,250,000 |
| PFI Capital Limited ("PFI") and Iain McKeand ("IM") | 1,000,000 |
| Boss Cabins Limited | 250,000 |
| Nytram Capital | 245,000 |

The offers from PFI/IM and Nytram Capital were conditional on further due diligence work being completed but our cash flow indicated that Company in administration was not in a position to allow additional time for due diligence.

The offer from MV Commercial Limited was accepted as it was deemed to represent the best outcome for creditors and stakeholders for the following reasons:

- Sustainability – incorporated in 1991, it is a long established and successful company
- Industry – operates in a similar industry of commercial vehicle manufacture
- Management – intend to appoint a new Board to lead business strategy and management
- Employees – intend to bring all employees back from Furlough immediately thus providing job security and easing the burden on the taxpayer
- Landlord – have had discussions with landlord in order to occupy and improve the site long term and to relocate some existing operations
- Independence – the new management team have no past association with the business

The other offers were rejected and solicitors were instructed to agree the terms of an SPA.

Following rejection of its offer, PFI/IM presented an indicative offer of £1.5m, however it was conditional upon various points, including further due diligence being completed. This offer was rejected due to the time critical nature of the situation and the delays that would be caused by the conditions attached. It was considered that PFI had had sufficient time to complete due diligence. Furthermore, as we were aware Iain McKeand would be involved in the management of the new entity, this would be classed as a connected party offer and an Independent Evaluator's Report would need to be commissioned by the purchaser prior to the sale being able to complete.

PFI then submitted a further unconditional offer of £1.5m and confirmed that Mr McKeand would not be involved in the new entity. The sale to MV Commercial Limited was at an advanced stage however, to ensure the best outcome for creditors was achieved, completion was delayed by 24 hours to enable this offer to be pursued. The Joint Administrators advised PFI that it would need to be in a position to:

1. Provide £100k to fund short term trading by close of business that day;
2. Provide proof of clear funds for completion by close of business that day; and
3. Be in a position to complete the transaction by close of business the following day.

PFI did not abide by the terms imposed by the Joint Administrators and later advised their offer was conditional on the fixed charges being released. This was not likely to be achievable without the involvement of a Court application. MV Commercial Limited were happy to complete a sale on the basis that release from the fixed charges was obtained either voluntarily or via a Court application. The Joint Administrators did not want to risk losing the sale and therefore rejected the offer and proceeded to complete the sale to MV Fruehauf Limited. MV Fruehauf Limited was set up as a subsidiary of MV Commercial Limited for the purpose of acquiring the business and assets.

The marketing strategy has achieved the best available outcome for creditors as a whole in all the circumstances because it has reached the highest possible number of interested parties in the short time frame that was available.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Valuation of the Business and Assets

SIA was instructed on 9 August 2021 to value the business and assets of the Company. They confirmed their independence, that they are RICS qualified and have adequate professional indemnity insurance.

Their valuation was received on 26 August 2021 and is detailed below:-

| | Market Value In-Situ £ | Market Value Ex-Situ £ | Actual Sale Price £ |
|-------------------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| Assets Specifically Pledged | | | |
| Goodwill and Intellectual Property Rights | Minimal | Minimal | 100,000 |
| Positive Equity in Financed Assets | 87,600 | 38,600 | 87,600 |
| Assets Not Specifically Pledged | | | |
| Stock | 629,000 | 134,000 | 550,000 |
| Plant and Machinery | 426,900 | 173,800 | 512,400 |
| Totals | 1,143,500 | 346,400 | 1,250,000 |

Regarding the goodwill, the agents have advised that they have reviewed the accounts information available in order to assess any potential value attributable to the goodwill and intellectual property rights. They were advised that the accounts information is unreliable and that some intellectual property rights may sit outside the Company. As a result, they suggested only a nominal figure should be applied for the goodwill and intellectual property rights until the ownership could be determined as they considered it unlikely a willing buyer would offer a reasonable consideration.

In contrast, Proudley Associates Limited valued the Goodwill, Order Book and Intangible assets on an in-situ basis at £450,000 and an ex-situ basis at £100,000.

SIA advised that they were provided with a stock listing as at June 2021, which shows a cost value of £3.153m however, they were advised that the Company has not undertaken a stock take in some time and that a recent audit discovered large parts of the stock listing were inaccurate. As a result of the audit, the Company intended to apply a provision of £960k against the stock, reducing the cost value to £2.2m.

An in-situ valuation reflects the estimated amount for which the assets could be sold as a whole in their working place(s). The ex-situ sale basis reflects a sale whereby the assets are removed from the premises at the expense of the purchaser. The Joint Administrators considered the bases of the valuations appropriate, as they were able to consider offers with the objective of selling the business and assets as a going concern, but it was also necessary to understand what the assets might realise in the event that sale negotiations deteriorated and a forced sale of the assets became a real possibility.

The sale price achieved for the business and assets compares favourably with the above valuation.

The Transaction

The purchaser and related parties

A sale of the business and assets was completed on 3 September 2021 with MV Fruehauf Limited, a subsidiary set up by MV Commercial Limited.

There is no connection between the purchaser and the directors, shareholders or secured creditors of the insolvent Company or their associates. The employment of David Thomson and Navneet Ahluwalia has been transferred under the TUPE regulations and it is understood that they are going to be senior employees but not directors or directly involved in the management of the business going forward.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

The transaction is between the insolvent Company and MV Fruehauf Limited only and does not impact on any related companies.

No guarantees have been given by any directors for amounts due from the insolvent Company to a prior financier.

The assets

The Sale included the assets listed below and was completed by means of an asset sale agreement.

The sale consideration

The sale consideration totalled £1.25m and required £850,000 to be paid on completion. The balance is payable within 10 business days of the Joint Administrators delivering or procuring delivery to the buyer of certified copies of deeds of release executed by all holders of security or a certified copy of a sealed order of the Court permitting the Joint Administrators to sell the assets to the buyer free of security.

As part of the terms of the sale agreement, a stock take is being undertaken jointly by the purchaser and the Joint Administrators to account for the vehicles that were completed and sold during the Administration trading period. If the stock valuation is less than the consideration being paid then the buyer shall deduct a sum equal to the difference between the stock valuation and the stock consideration up to a maximum of £80,000.

The sale consideration has been allocated to the following asset categories:-

| | £ |
|---------------------------------------|------------------|
| Goodwill (fixed charge) | 99,996 |
| Business contracts (fixed charge) | 1 |
| Information Technology (fixed charge) | 1 |
| Accreditation (fixed charge) | 1 |
| Plant and machinery (floating charge) | 600,000 |
| Seller's Records (fixed charge) | 1 |
| Stock (floating charge) | 550,000 |
| Total | 1,250,000 |

The validity of the charges has yet to be verified, however the allocation above has been reached by reference to the charge documents and in consultation with the agents.

There were 93 employees who were transferred as part of the Sale.

There were no options, buy-back arrangements or similar conditions attached to the contract of sale.

The Sale is not part of a wider transaction.

OTHER MATTERS

The effect of the Administration is to provide protection to the Company and prevent any creditor taking action against it. During the period of the Administration, the Company cannot be wound up, no Administrative Receiver can be appointed, nor can any creditor enforce security, repossess goods, commence or continue legal action without consent of the Joint Administrators or the permission of the Court.

The Joint Administrators will manage the affairs, business and property of the Company. The Joint Administrators are neither personally adopting any contracts that may have been entered into by the Company, nor are they personally liable in any way in respect of them.

Until it is clear that a dividend will be paid, the Joint Administrators will not take steps to agree creditors' claims and, in order to avoid incurring unnecessary costs, they do not intend to respond to routine

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

queries. However, it would assist with the preparation of an accurate statement of the Company's affairs if you will forward a statement of your account made up to 5 August 2021. If you intend to claim a lien, retention of title or any other form of security, you should advise me of your claim immediately in writing and forward any relevant supporting documents.

As part of our duties as Joint Administrators, we shall be investigating what assets the Company held and what recoveries may be made for the benefit of creditors, as well as the manner in which the Company's business was conducted. These enquiries include the investigation into any potential claims, if any, that may be brought against third parties. Accordingly, should you have any information, which may be relevant, please contact us as soon as possible. A short questionnaire has been enclosed, which may assist you in this regard.

VAT Bad Debt relief is now available in respect of all debts on supplies made on or after 1 April 1989, for which VAT was charged and accounted for to HM Revenue and Customs, which has been outstanding for a period of six months and is written off in the accounts. No further documentation is required.

"A Creditors' Guide to Administrators' Remuneration" effective from 1 April 2021 is available to download at <http://www.quantuma.com/guide/creditors-guide-fees>. Should you require a paper copy, please send your request in writing to the Joint Administrators. A copy will be provided at no cost.

Should you wish to know more about the insolvency process in general, we recommend that you visit www.creditorinsolvencyguide.co.uk.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Appendix V: Estimated Financial Position

Insolvency Act 1986

Fruehauf Ltd
Company Registered Number: 07176536

Estimated Statement Of Affairs as at 5 August 2021

| | Book Value £ | Estimated to Realise £ | £ |
|--------------------------------------------------------------------------------------|-----------------|---------------------------|---------------------|
| ASSETS | | | |
| Goodwill, Records & Contracts | | 100,000.00 | |
| Red Circle Investments Limited (created 2/5/19) | | (1,621,092.00) | |
| Deficiency c/d | | <u>(1,521,092.00)</u> | |
| Plant and Machinery | | 98,750.00 | |
| Investec | | (228,200.00) | |
| Deficiency c/d | | <u>(129,450.00)</u> | |
| Plant and Machinery | | 23,000.00 | |
| Northridge | | (30,700.00) | |
| Deficiency c/d | | <u>(7,700.00)</u> | |
| Stock | | 221,750.00 | |
| Close Asset Finance | | (242,516.00) | |
| Deficiency c/d | | <u>(20,766.00)</u> | |
| Tangible Fixed Assets | 1,022,721.00 | | 512,400.00 |
| Equity in Aldermore's financed assets | | | 87,600.00 |
| Stock | 2,200,000.00 | | 550,000.00 |
| Book Debts | 601,037.00 | | 205,438.00 |
| Intercompany Debtors | 2,158,806.00 | | Uncertain |
| | | | <u>1,355,438.00</u> |
| LIABILITIES | | | |
| PREFERENTIAL CREDITORS:- | | | |
| Pension Schemes | | 17,000.00 | |
| | | | <u>17,000.00</u> |
| | | | 1,338,438.00 |
| 2nd PREFERENTIAL CREDITORS:- | | | |
| HMRC PAYE/NIC (Employees) | | 391,127.00 | |
| HMRC - VAT | | 1,411,231.00 | |
| | | | <u>1,802,358.00</u> |
| | | | (463,920.00) |
| DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003 | | | |
| OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS | | | |
| | | | <u>NIL</u> |
| | | | (463,920.00) |
| Estimated prescribed part of net property where applicable (to carry forward) | | | |
| | | | <u>NIL</u> |
| | | | (463,920.00) |

Insolvency Act 1986

Fruehauf Ltd
Company Registered Number: 07176536

Estimated Statement Of Affairs as at 5 August 2021

| | Book Value £ | Estimated to Realise £ | £ |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------------|------------------------------|
| DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003 | | | |
| Deficiency b/d | | 1,521,092.00 | |
| Iain McKeand (created 22/8/19) | | 1.00 | |
| | | | 1,521,093.00 |
| | | | <u>(1,985,013.00)</u> |
| Estimated prescribed part of net property where applicable (brought down) | | | NIL |
| | | | NIL |
| Shortfall to preferential creditors/F.C's pre 15 September 2003 (brought down) | | | 463,920.00 |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | | | |
| Deficiency b/d | | 157,916.00 | |
| Trade & Expense Creditors | | 2,179,819.72 | |
| Employees (Count=2) | | 878.00 | |
| Employees' Pension Contributions | | 180,000.00 | |
| Directors - D Thomson | | 70,000.00 | |
| Connected Companies | | 55,695.00 | |
| HM Revenue and Customs - ER'S NIC | | 178,693.00 | |
| White Oak Loan | | 42,993.48 | |
| | | | 2,865,995.20 |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003) | | | (3,329,915.20) |
| Shortfall in respect of F.C's post 14 September 2003 (brought down) | | | 1,521,093.00 |
| | | | <u>(4,851,008.20)</u> |
| Issued and called up capital | | | |
| Ordinary Shareholders | | 100.00 | |
| | | | 100.00 |
| TOTAL SURPLUS/(DEFICIENCY) | | | <u><u>(4,851,108.20)</u></u> |

Fruehauf Ltd
Company Registered Number: 07176536
B - Company Creditors

| Key | Name | Address | £ |
|------|----------------------------------------------|--------------------------------------------------------------------------------------------|-----------|
| CA00 | Aalco | Harrimans Lane, Dunkirk, Nottingham, NG7 2SD | 99,745.69 |
| CA01 | Attleborough Service Centre (Norfolk) Ltd. | Purch Roudham Road, East Harling, Attleborough, Norfolk, NR16 2QN | 83,474.17 |
| CA02 | Ansteybond Chartered Accountants Business Ad | 1 Charterhouse Mews, London, London, EC1M 6BB | 31,680.00 |
| CA03 | Air Brake Connections Ltd. | Unit 5, May Avenue Industrial Estate, Northfleet, Gravesend, Kent, DA11 8RU | 33,364.28 |
| CA04 | Arraquip Ltd. | Withambrook Industrial Estate, Londonthorpe Road, Grantham, Lincs, NG31 9ST | 33,802.26 |
| CA06 | Aspoeck UK Ltd. | Unit 19 Stanstead District Centre, Great Hallingbury, Bishops Stortford, CM22 7DG | 5,002.21 |
| CA07 | AW Safety Management Ltd | Edwinstowe House, High Street, Edwinstowe, Mansfield, NG21 9PR | 1,675.20 |
| CA08 | Aircheck Services Ltd | The Business Exchange, Rockingham Road, Kettering, Northants, NN16 8JX | 1,368.00 |
| CA09 | AlphaBiolabs | 14 Webster Court, Carin Park, Warrington, WA5 8WD | 1,185.60 |
| CA0A | Ambassador Motor Company Ltd. | Parkway Avenue, Broad Oaks, Sheffield, S9 4WA | 1,200.00 |
| CA0B | Allstar Deliveries Ltd. | 110 Womersley Road, Knottingley, West Yorkshire, WF11 0DL | 539.17 |
| CA0C | Ashcourt Contract Ltd. | Foster Street Recycling Centre, Foster Street, Hull, HU8 8BT | 402.16 |
| CA0D | AE Faulks Ltd. | The Wharf, Main Street, Hickling, MELTON MOWBRAY, Leicestershire, LE14 3AH | 192.00 |
| CA0E | Anton Saws & Machinery Ltd. | Hougoumont Farm-Hougoumont Ind Area, Collingbourne Ducis, Marlborough, Wiltshire, SN8 3ET | 42.72 |
| CB00 | Buckminster Trust Estate | 50 Main Street, Buckminster, Grantham, NG33 5SD | 28,800.00 |
| CB01 | Brown McFarlane Ltd, | Ladywell Works, New Century St, Stoke-on-Trent, ST1 5QH | 11,116.80 |
| CB02 | British Gas BG | PO Box 1519 Blaise Pascal House 100 Pavilion Drive, NORTHAMPTON, Northamptonshire, NN4 7DZ | 8,578.49 |
| CB03 | Barker Sign Services Ltd. | Unit 3 Forest Industrial Park, Pit Lane, ketton, Nr Stamford, Lincs, PE9 3SZ | 2,074.80 |
| CB04 | BNP Paribas Leasing Solutions Ltd | Northern Cross, Basing View, BASINGSTOKE, Hampshire, RG21 4HL | 4,646.46 |
| CB05 | Brico Vehicle Services Ltd. | 56 Nowell Road, Barnes, London | 1,660.80 |
| CB06 | Bystronic UK Limited | 6 Wayside Business Park, Wilsons Lane, Coventry, cv6 6ny | 1,393.51 |
| CB07 | Broshuis UK Limited | Unit 1 C, Uppingham Gate, Uppingham, Oakham, LE159NY | 1,171.93 |
| CB08 | Brown Brothers Distribution Ltd. | PO Box 162, Needham Road, Stowmarket, IP14 2ZR | 1,098.22 |
| CB09 | Backwatch Safety Products Ltd. | Units 27-28, Enterprise Centre, Bryn Road, Aberkenfig, Bridgend, Mid Glamorgan, CF32 9BS | 573.24 |
| CB0A | Bill James Pest Control | 5-7 Chapel Hill, Ropsley, Grantham, Lincolnshire, NG33 4BW | 275.00 |
| CB0B | BPW Ltd | Centurion Way, Meridian Business Park, Leicester, LE19 1WH | 6,000.40 |
| CB0C | Bridgestone Europe NV/SA, UK Branch | Athena Drive, Tachbrook Park, Warwick, CV34 6UX | 4,320.00 |

Fruehauf Ltd
Company Registered Number: 07176536
B - Company Creditors

| Key | Name | Address | £ |
|------|------------------------------------------------|--------------------------------------------------------------------------------------------|------------|
| CB0D | Buyaparcels.com | 3-7 Pinbush Road, Lowestoft, NR33 7NL | 119.50 |
| CC00 | CEB - Compare Energy Bills Ltd | , Newbridge,Wolverhampton, Wv6 0LE | 5,883.20 |
| CC01 | Commercial Vehicle Hydraulics CVH | Carter Lane East, South Normanton,Derbyshire, DE55 2DY | 1,702.80 |
| CC02 | C R Deliveries | 73 Cademan Street, Whitwick,Leics, LE67 5AE | 1,542.00 |
| CC03 | Commercial Body Fittings Ltd. | 80 Bridge Road East, Welwyn Garden City,Hertfordshire, AL7 1JY | 66.97 |
| CC04 | Chainbridge Steel Ltd. | Rainhill Road, Stephenson Industrial Estate, District 12, Washington,Tyne & Wear, NE37 3HU | 0.01 |
| CC05 | Close Brother Asset Finance | 3rd Floor, Wimbledon Bridge House, 1 Hartfield Road, London, SW19 3RU | 242,516.00 |
| CD00 | Dawbarn & Sons | Harecroft Road, Wisbech,Cambs, PE13 1RL | 25,751.20 |
| CD01 | Demon Cleaning Services | Unit 3, Chandlers Yard Business Park, Grey Friars, Grantham,Lincs, NG31 6PG | 1,055.70 |
| CD02 | Dawsongroup Finance Ltd | 21 Headlands Business Park, Salisbury Road, Ringwood,Hampshire, BH24 3PB | 768.71 |
| CD03 | D & J McBain | Burnbank,, Glenbervie, Stonehaven,, AB39 3YD | 452.40 |
| CD04 | Deacon Products | Newtown Lane, Cradley Heath,West Midlands, B64 5EB | 5.70 |
| CD05 | Digraph Transport Supplies Ltd. | Unit 2, Chewton Street, Eastwood,Notts, NG16 3HB | 3.96 |
| CD06 | Digraph Ltd | Sandbeck Way, Hellaby, Rotherham, Yorkshire, S66 8QL | 48.00 |
| CE00 | Erskine Murray Insurance Brokers | Head Office 1 Penman Way Grove Park, Leicester, LE19 1SY | 135,434.67 |
| CE01 | Exlabesa Extrusion Doncaster Ltd. | Ogden Road,, Doncaster, DN2 4SG | 23,037.80 |
| CE02 | Edbro Hydraulics Ltd | Edbro House, Nelson Street, BOLTON, Bolton,Lancashire, BL3 2JJ | 6,557.14 |
| CE03 | ESAB Group (UK) Ltd. | Warlies Park House, Horseshoe Hill, Upshire,Essex, SP10 5LU | 4,794.74 |
| CE04 | Elite Services Holdings Ltd. | 20-21 Webb Ellis Business Park, Rugby,Warwickshire, CV21 2NP | 2,871.00 |
| CE05 | Energas Ltd (Engweld)- East Midland Welding | Westmorland Street, Hull, HU2 0HX | 3,943.60 |
| CE06 | Envirotyre UK Limited | Envirotyre UK Ltd, Reed Point, Sutterton, Boston,Lincolnshire, PE20 2EP | 421.20 |
| CE07 | ERF Electrical Wholesalers. | Salop Street, Daybrook,, Nottingham,, NG5 6HD | 342.00 |
| CE08 | Emersons Commercial Services Ltd | Unit 39, Stalker Road, Gilwilly Industrial Estate, Penrith,Cumbria, CA11 9BG | 104.87 |
| CF00 | Foster & Company Weldtech Limited / Foster Ind | Matrix House, Gelders Hall Road, Shepshed, LOUGHBOROUGH,Leicestershire, LE12 9NH | 10,711.45 |
| CF01 | Fixfirm Ltd. | Pyke Road, Lincoln,, LN6 3QS | 708.96 |
| CF02 | Ford & Slater Limited | Hazel Drive, Leicester,, LE3 2JG | 698.43 |
| CF03 | Fovia Office / Harrison Green | Fovia Office Ltd, 26 Avenue Road, GRANTHAM, Grantham,Lincolnshire, NG31 6TH | 679.51 |
| CF04 | Fixfire | Mayflower House, Bodmin Road, Coventry,, CV2 5DB | 4,076.96 |

Fruehauf Ltd
Company Registered Number: 07176536
B - Company Creditors

| Key | Name | Address | £ |
|------|---------------------------------|-------------------------------------------------------------------------------------|--------------|
| CF05 | Firbrook (Agriculture) Ltd | The Firs, Scawby Road, Scawby Brook, Brigg,, DN20 9JX | 198.00 |
| CF06 | flexilube Ltd | Holly Farm Business Park, Honiley, Warks,, CV8 1NP | 188.40 |
| CF07 | Frontline Safety UK Ltd | Unit F 230 Parkway Point Springhill Parkway Glasgow Business Park, Glasgow, G69 6GA | 66.37 |
| CF08 | Fruehauf Rigidis | Invicta Works, Houghton Road, Grantham, Lincs, NG31 6JE | 1.00 |
| CG00 | Garfield Aluminium EUR | Beversestraat 28, 5431 SH Cuijk, Postbus 144, 5430 AC Cuijk | 62,926.95 |
| CG01 | Gas Direct Ltd. | Whitehouse Farm, Valley Lane, Long Bennington,Notts, NG23 5EE | 34,406.46 |
| CG02 | Granville Supplies Ltd. | 2 Duke Street, Loughborough,Leicestershire, LE11 1LD | 5,400.00 |
| CG03 | Granco Ltd. Purchase Account | 60 Tandragee Road, Newry, CO Down,Ireland, BT35 6QF | 4,758.00 |
| CG04 | GWT Farms Ltd. | North East Farm, A428 Cambridge Road, Eltisley, St. Neots,Cambs, PE19 6TR | 216.00 |
| CG05 | Gray Rentals PLC | Littlefair Road, Hedon Road, Kingston upon Hull, HU9 5LP | 214.39 |
| CG06 | Goodyear Dunlop Tires | Germany GmbH, Dunlipstrasse 2, 63450 Hanau, Germany | 192.00 |
| CH00 | HM Revenue & Customs | Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ | 178,693.00 |
| CH01 | HM Revenue & Customs | Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ | 1,802,358.00 |
| CH02 | Hydro Extrusion Harderwijk | Industrieweg 15, 3846BB, PO Box 30, 3840 AA, Harderwijk, The Netherlands | 136,610.62 |
| CH03 | Hydro Extrusion Lichtervelde NV | Kortmarktstraat 52, BE-8810 Lichtervelde, Belgium | 42,218.73 |
| CH04 | Hyva (UK) Ltd. | Unit 2 Prince Mead Place, Trafford park, Manchester, M17 1PN | 11,661.00 |
| CH05 | Harold Potter Ltd. | Trent Lane, Off Daleside road, Nottingham, NG2 4DS | 7,901.84 |
| CH06 | HSE and its agencies / SSCL | , Thornton-Cleveleys, Blackpool, FY1 9JN | 3,706.70 |
| CH07 | Haldex Ltd. | Unit 1, Durham Way South, Aycliffe Business Park, Newton Aycliffe,, DL5 6XN | 978.07 |
| CH08 | Hub Le Bas Ltd. | PO Box 13, Popes Lane, Oldbury,West Midlands, B69 4PF | 25.33 |
| CH09 | Hitachi Capital (UK) PLC | Hitachi Capital House, Thorpe Road, Staines-upon-Thames,Surrey, TW18 3HP | 0.19 |
| CH0A | Hodge Clemco Ltd | Ordgeave Drive, Sheffield, South Yorkshire, S13 9NR | 330.00 |
| CH0C | Huffey Group Ltd | Invicta Works, Houghton Road, Grantham, Lincs, NG31 6JE | 1.00 |
| CI00 | IMS Ltd. No 1 | Trans Tech House, Gelders Hall Road, Shepshed,Lincs, LE12 9NH | 694,547.40 |
| CI01 | IMS Ltd New | , Shepshed,Leicestershire, LE12 9NH | 59,648.40 |
| CI02 | Inara Systems Ltd. | 20 Hillside Crescent, Grantham,Lincolnshire, NG31 7EY | 14,653.54 |
| CI03 | Italtruck Ltd. | 40-42 Rushey Lane, Birmingham, B11 2BL | 6,398.16 |
| CI04 | Investec Asset Finance | Reading International Business Park, Reading, RG2 6AA | 228,200.00 |
| CI05 | IUM Ltd | Invicta Works, Houghton Road, Grantham, NG31 6JE | 1.00 |
| CI06 | ICR | Invicta Works, Houghton Road, Grantham, Lincs, NG31 6JE | 1.00 |

Fruehauf Ltd
Company Registered Number: 07176536
B - Company Creditors

| Key | Name | Address | £ |
|------|-----------------------------------------------|------------------------------------------------------------------------------------------------|-----------|
| CJ07 | Industrial Workwear Limited | Unit 16, Consett Business Centre, Consett, Co Durham, DH8 6BP | 418.68 |
| CJ00 | Jost Axle Systems | Siemensstrasse 2, 63263 Neu-Isenburg | 12,862.66 |
| CJ01 | Johnsons Apparelmaster Ltd. -Johnsons Workw | Oslo Road, Sutton Fields Industrial Estate, Hull, HU7 0YN | 9,051.46 |
| CJ02 | JJ Training (UK) Limited | Training (UK) Limited, Training House, 58 Surrey Street, Glossop, SK13 7AJ | 4,809.60 |
| CJ03 | Jonesco (Preston) Ltd. | Pittman Way, Fulwood, Preston, Lancashire, PR2 9ZD | 3,056.40 |
| CJ04 | J. M. Lane Engineering | 121 Harecroft Road, Wisbech, Cambs, PE13 1RL | 2,402.28 |
| CJ05 | Jost GB Ltd. (Edbro) | Edbro House, Nelson Street, Bolton, Lancs, BL3 2JJ | 359.87 |
| CJ06 | John Beaty Transport Ltd. | Station View, Penrith, Cumbria, CA11 0BX | 96.00 |
| CJ07 | John L Turner | 41 Cumberworth Lane, Cumberworth, Huddersfield, HD8 8PD | 38.16 |
| CK00 | KL Nuts, Bolts and Engineering Supplies Ltd. | Unit 4 & 5, Oldmedow Road, Hardwick Industrial Estate, Kings Lynn, PE30 4JL | 12,022.99 |
| CK01 | Kohler Uninterruptible Power Ltd | Woodgate, Bartley Way, HOOK, Hook, Hampshire, RG27 9XA | 1,807.20 |
| CK02 | Kiowa Ltd | THE RESERVATION, EAST ROAD, SLEAFORD, Lincs, 0152941552,, NG34 7BY | 425.28 |
| CK03 | Knorr-Bremse | Century House, Folly Brook Road, Emersons Green, Bristol, BS16 7FE | 0.24 |
| CL00 | LexisNexis | Quadrant House, The Quadrant, Sutton, Surrey, SM2 5AS | 8,662.90 |
| CL01 | LRS (Lincs) LTD | UNITS 9-10 BELTON LANE, INDUST EST. BELTON LANE, GRANTHAM, Lincs, NG31 9HN | 130.33 |
| CL02 | Leicester Plating Ltd | 2 Wesley Street, Leicester, LE4 5QG | 116.40 |
| CL03 | White Oak UK Limited t/a LDF Finance No. 2 Li | 2nd Floor, HQ Offices, 58 Nicholas Street, Chester, CH1 2NP | 42,993.48 |
| CM00 | Michael Price Associates Ltd (MPA) | 4 Mercers Manor Barns, Sherington, NEWPORT PAGNELL, Newport Pagnell, Buckinghamshire, MK16 9PU | 30,000.00 |
| CM01 | ML Multy Lift Forktrucks Ltd | Unit 4, Gilberts Way, Burma Road Business Park, Blidworth, NG21 0RT | 7,723.31 |
| CM02 | MCC Multi Color Stevenage Ltd. | Unit A Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2BH | 6,723.36 |
| CM03 | Muldoon Transport Systems Ltd, | 181 CLONMORE ROAD, DUNGANNON, CO. TYRONE, N. IRELAND, BT71 6HX | 2,713.70 |
| CM04 | Meridian Steel | Grazebrook Industrial Park, Peartree Lane, DUDLEY, West Midlands, DY2 0XW | 2,210.22 |
| CM05 | McPherson Ltd | Fisherton Garage, Aberlour, AB38 9LB | 1,869.00 |
| CM06 | Accrasystem Limited t/a Metroseal | Unit 30 Purdeys Way, Purdeys Industrial Estate, Rochford, Essex, SS4 1ND | 1,221.00 |
| CM07 | Mussons Heating Ltd | 20 St. Catherines Road, GRANTHAM, Grantham, Lincolnshire, NG31 6TT | 779.57 |
| CM08 | McGuinness Haulage Ltd. | 7 Park Avenue, New Longton, Preston,, PR4 4AY | 300.00 |
| CM09 | Metabrasive Ltd. - W Abrasives | Ironmaster Way, Stillington, Stockton-On-Tees, Cleveland, TS21 1LE | 1,223.76 |
| CM0A | Managed Occupational Health Ltd | St Michaels House, 40 Sawmills Road, Diss, Norfolk, IP22 4DA | 506.00 |

Fruehauf Ltd
Company Registered Number: 07176536
B - Company Creditors

| Key | Name | Address | £ |
|------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| CM0B | Iain McKeand | Invicta Works, Houghton Road, Grantham, Lincolnshire, NG31 6JE Security Given: Fixed and floating charge; Date Given: 30/12/1899; Amount: 0 | 1.00 |
| CN00 | Newton Trailers Ltd. | Station Yard, Station Road, Ridgmont, Bedfordshire, MK43 0XP | 33,180.00 |
| CN01 | Nottingham Engineering Products - NEP | Unit 5E&5F The Midway Redfield Road Lenton, Nottingham, NG7 2TS | 5,224.25 |
| CN02 | NVCS Ltd | 1 Green Farm Industrial Units, Wendover Road, Rackheath, NORWICH, Norfolk, NR13 6LQ | 390.93 |
| CN03 | Northridge Finance | 5th Floor, Bank Of Ireland, 1 Donegall Square South, Belfast, BT1 5LR | 30,700.00 |
| CO00 | Options Uk | 1st Floor Lakeside House, Shirwell Crescent, Furzton Lake, Milton Keynes, Buckinghamshire, MK4 1GA | 197,000.00 |
| CP00 | PPG Industries (UK) Ltd. | Needham Road, Stowmarket, IP14 2 AD | 11,992.73 |
| CP01 | Pearson Hydraulics Ltd. | 11 Cardinal Close, Lincoln, Lincolnshire, LN2 4SY | 4,123.12 |
| CP02 | Pneumax Ltd. | 110 Visa Park, Mauretania Road, Nursling, Southampton, SO16 0YS | 3,384.81 |
| CP03 | Philmar Transport Ltd. | Bridge Street, Stalybridge, Cheshire, SK15 1PF | 2,790.00 |
| CP04 | Parkside Steel Ltd. | Unit 9a Little Oak Drive, Sherwood Business Park, Annesley, Nottingham,, NG15 0DJ | 1,465.96 |
| CP05 | PHMG | Oakland House, Talbot Road, Old Trafford, Manchester, M16 0PQ | 507.96 |
| CR00 | RMS Grantham Ltd. | Unit 7A, The Mushroom Farm, Bottesford Lane, Orston, Nottingham, NG13 9NX | 15,336.00 |
| CR01 | Reggiana UK Limited | Unit 4, Marrtree Business Park, Ryefield Way, Keighley, Yorkshire, BD20 0EF | 2,864.16 |
| CR02 | Roy Hill Haulage Ltd. | Unit 26 Rösäländ Business Park, Long Bennington, Newark,, NG23 5FF | 918.00 |
| CR03 | R J Pain Transport Ltd | ASHBROOK, ARDDLEEN, ARDDLEEN, LLANYMYNECH, LLANYMYNECH, Powys, SY22 6RS | 264.00 |
| CR04 | RS Components Ltd | PO Box 99, Corby, Northamptonshire, NN17 9RS | 369.74 |
| CR05 | Red Circle Investments Limited | Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN | 1,621,092.00 |
| CS00 | Shur Co UK Ltd. | Unit 41 Rochester Airport Estate, Laker Road, Rochester, Kent, ME1 3QX | 14,766.42 |
| CS01 | Supertune Automotive Ltd. | Oldham Central Trading Park, Off Cromford Street, Oldham, OL1 4EB | 9,924.80 |
| CS02 | Spillard Safety Systems | Solutions House, Station Road, Four Ashes, Wolverhampton,, WV10 7DB | 4,860.00 |
| CS03 | Star Fasteners (UK) Ltd. | Unit 1, 44 Brookhill Road, Nottingham, NG16 6RY | 3,913.44 |
| CS04 | Straaltechniek UK Ltd. | Unit 8, Grange Lane, Sheffield, South Yorkshire, S5 0DQ | 3,768.75 |
| CS05 | Sime Foundry Ltd. | 49 STAFFORD STREET, WEDNESBURY, WEST MIDLANDS, WS10 7JX | 1,936.26 |
| CS06 | Siemens Financial Services | SEFTON PARK, BELLS HILL STOKE POGES, BUCKINGHAMSHIRE,, SL2 4JS | 1,140.00 |
| CS07 | SKDC Enviromental Health | Guildhall Arts Centre, St. Peters Hill, GRANTHAM, Grantham, Lincolnshire, NG31 6PZ | 772.00 |

Fruehauf Ltd
Company Registered Number: 07176536
B - Company Creditors

| Key | Name | Address | £ |
|------|-------------------------------------------|-------------------------------------------------------------------------------------------|-----------|
| CS08 | Sprayplant UK Ltd. | Trident House, Hales Road, Leeds,, LS12 4PL | 767.90 |
| CS09 | Schallenberg International Limited | Units 2-16 Darrell Road, Flexistowe,Suffolk, IP11 3UU | 525.00 |
| CS0A | Service Metals SM | Howley Park Industrial Estate, Howley Park Road East, Morley, Leeds, LS27 0BN | 936.00 |
| CS0B | Shur-Co UK | Donovan House, Unit 41, Rochester Airport Estate, Laker Road, Rochester, Kent, ME1 3QX | 226.02 |
| CS0C | Societe General | Parkshot House, 5 Kew Road, Richmond, Surrey, TW9 2PR | 33,600.00 |
| CS0E | System Wessex | Invicta Works, Houghton Road, Grantham, NG31 6JE | 55,695.00 |
| CT00 | Trailer Solutions Ltd | 1-2 Charterhouse Mews, LONDON,London, EC1M 6BB | 82,500.00 |
| CT01 | Total Waste Management ltd | Hovefields Avenue, Burnt Mill Industrial Estate, Basildon,Essex, SS13 1EB | 12,488.76 |
| CT02 | The Wheels Hub - MWheels Ltd. | 50 Leestone Road, Sharston Industrial Estate, Wythenshawe, Manchester, M22 4RF | 12,345.05 |
| CT03 | Tyretracks Ltd. | Tyretrack House, Common Road, Stafford, ST16 3EQ | 12,048.00 |
| CT04 | Truck-Lite Europe Ltd. | Barrows Road,,Harlow,Essex, CM19 5FA | 10,880.38 |
| CT05 | THPE Ltd. | 7 BEIGHTON STREET, SUTTON IN ASHFIELD, NOTTINGHAM, NE17 4EG | 4,169.30 |
| CT06 | Training Works | 89 High Quay, City Road, NEWCASTLE UPON TYNE, Newcastle Upon Tyne,Northumberland, NE1 2PD | 1,434.00 |
| CT07 | Thomas Hardie Commercials Limited / Volvo | Suite 4 Moorgate Point, Moorgate Road, Knowsley, LIVERPOOL,, L33 7XW | 720.00 |
| CT08 | Treasure Transport Services | Triangle Park, Gonerby Moor, Grantham,Lincolnshire, NG32 2BP | 1,177.27 |
| CT09 | TENSOR TIME & ENERGY LLP | HAIL WESTON HOUSE, HAIL WESTON, ST NEOTS, CAMBRIDGESHIRE,, PE19 5JY | 318.00 |
| CT0A | David Thomson | Invicta Works, Houghton Road, Grantham, Lincolnshire, NG31 6JE | 70,000.00 |
| CU00 | Kyocera Unimerco Ltd. | 101 Attercliffe Road, Sheffield, S4 7WW | 2,147.83 |
| CV00 | VPG Systems UK Ltd. | Airedale House, Canal Road, Bradford,, BD2 1AG | 61,317.40 |
| CV01 | Veolia ES (UK) Ltd. | Kingswood House, Kingswood Crescent, Cannock,Staffordshire, WS11 8JP | 9,676.55 |
| CV02 | VTG Docuplate / BTS (Congleton) | 15A Springvale Industrial Estate, Millbuck Way, Moston Road, SANDBACH,Cheshire, CW11 3HT | 67.98 |
| CV03 | Vehicle Weighing Solution | Unit 5 Southview Park, Marsack Street, Caversham, Reading, RG4 5AF | 3,690.00 |
| CW00 | White Cross Ring Co. Ltd. t/a Yorgrip | Battye Street, Bradford,West Yorkshire, BD4 8AG | 6,120.00 |
| CW01 | Work Technologies Ltd | 4 Stone Lane, Little Humby, Grantham,Lincolnshire, NG33 4HX | 1,200.00 |
| CW02 | WH Shoebridge & Sons Limited | Nene Parade, Wisbech,Cambs, PE13 3BY | 824.94 |
| CW03 | WARD - Donald Ward Limited | Donald Ward House East Street, Ilkeston,, DE7 5JB | 390.00 |
| CW04 | Water Coolers Direct Group | Clearview House, 24 Bamel Way, Gloucester Business Parl, Gloucester,, GL3 4BH | 258.85 |

Fruehauf Ltd
Company Registered Number: 07176536
B - Company Creditors

| Key | Name | Address | £ |
|------------------------------|-----------------------------------|------------------------------------------------------------------------------|---------------------|
| CW05 | Wabco Automotive UK Ltd. ZF Group | Unit A1 Grange Valley, Grange Valley Road, Batley, WF17 6GH | 4.00 |
| CY00 | Yesss Electrical | Unit 4 Grantham Trade Park, Harlaxton Road, Grantham, Lincolnshire, NG31 7SA | 142.66 |
| CZ00 | Zoro UK | 5 Churchill place, 10th Floor Churchill place, London, E14 5HU | 3.99 |
| 169 Entries Totalling | | | 6,649,068.20 |

Fruehauf Ltd
Register of Shareholders

| Key | Name | Pref | No of Shares Ordinary | Other | Total |
|----------------------------|--------------------------------|-------------|----------------------------------|--------------|---------------|
| HR00 | Red Circle Investments Limited | 0.00 | 100.00 | 0.00 | 100.00 |
| 1 Entries Totalling | | 0.00 | 100.00 | 0.00 | 100.00 |

Fruehauf Ltd (In Administration)**The Joint Administrators' Statement of Proposals**

Please find below the relevant schedules in relation to Secured Creditors and Special Creditor Groups.

Schedule of Secured Creditors**Secured Creditors**

| Secured creditor's name and address | Amount of claim (estimated) | Details of security | Date security was given | Value of security (per Statement of Affairs) |
|------------------------------------------------------------------------------------------|------------------------------------|----------------------------|--------------------------------|-----------------------------------------------------|
| Red Circle Investments Limited, Mazars House, Geldered Road, Gildersome, Leeds, LS27 7JN | 1 | Debenture | 02/05/2019 | 1,621,092 |
| Iain McKeand, Villa 3, Desert Leaf 3, Al Barari, Dubai, UAE | 1 | Debenture | 22/08/2019 | 1 |

The debentures are currently subject to further investigation by the Joint Administrators and therefore for the purposes of the Estimated Financial Position have been included for £1.

Schedule of Special Creditor Groups

| Creditor Group | Number of creditors in group | Total amount of claims (estimated) |
|---------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------|
| Employees and former employees | 2 | 878 |
| Consumers claiming amounts paid in advance for the supply of goods and services | Nil | Nil |

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Appendix VI: Receipts and Payments Account and Trading Account

Fruehauf Ltd
(In Administration)
Joint Administrators' Trading Account
To 20/09/2021

| S of A £ | £ | £ |
|----------------------------------|------------|--------------------|
| POST APPOINTMENT SALES | | |
| Sales | 109,762.48 | |
| Furlough | 60,964.32 | |
| Miscellaneous Refund | 118.63 | |
| | | 170,845.43 |
| PURCHASES | | |
| Purchases (1) | 36,408.17 | |
| | | (36,408.17) |
| OTHER DIRECT COSTS | | |
| Wages | 184,621.14 | |
| | | (184,621.14) |
| TRADING EXPENDITURE | | |
| Lease/HP Payments | 3,181.32 | |
| IT Costs | 6,115.16 | |
| | | (9,296.48) |
| TRADING SURPLUS/(DEFICIT) | | (59,480.36) |

Fruehauf Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 20/09/2021

| S of A £ | | £ | £ |
|----------------|-----------------------------------------|-------------|-----------|
| | SECURED ASSETS | | |
| 100,000.00 | Goodwill, Records & Contracts | NIL | NIL |
| | | | |
| | SECURED CREDITORS | | |
| (1,621,092.00) | Red Circle Investments Limited | NIL | NIL |
| | | | |
| | HIRE PURCHASE | | |
| 98,750.00 | Plant and Machinery | NIL | |
| (228,200.00) | Investec | NIL | |
| 23,000.00 | Plant and Machinery | NIL | |
| (30,700.00) | Northridge | NIL | |
| 221,750.00 | Stock | NIL | |
| (242,516.00) | Close Asset Finance | NIL | NIL |
| | | | |
| | ASSET REALISATIONS | | |
| 512,400.00 | Tangible Fixed Assets | NIL | |
| 87,600.00 | Equity in Aldermore's financed assets | NIL | |
| 550,000.00 | Stock | NIL | |
| 205,438.00 | Book Debts | 113,277.96 | |
| Uncertain | Intercompany Debtors | NIL | |
| | Trading Surplus/(Deficit) | (59,480.36) | 53,797.60 |
| | | | |
| | COST OF REALISATIONS | | |
| | Statutory Advertising | 88.00 | (88.00) |
| | | | |
| | PREFERENTIAL CREDITORS | | |
| (17,000.00) | Pension Schemes | NIL | NIL |
| | | | |
| | SECONDARY PREFERENTIAL CREDITORS | | |
| (391,127.00) | HMRC PAYE/NIC (Employees) | NIL | |
| (1,411,231.00) | HMRC - VAT | NIL | NIL |
| | | | |
| | FLOATING CHARGE CREDITORS | | |
| (1.00) | Iain McKeand | NIL | NIL |
| | | | |
| | UNSECURED CREDITORS | | |
| (2,179,819.72) | Trade & Expense Creditors | NIL | |
| (878.00) | Employees | NIL | |
| (180,000.00) | Employees' Pension Contributions | NIL | |
| (70,000.00) | Directors - D Thomson | NIL | |
| (55,695.00) | Connected Companies | NIL | |
| (178,693.00) | HM Revenue and Customs - ER'S NIC | NIL | |
| (42,993.48) | White Oak Loan | NIL | NIL |

Fruehauf Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 20/09/2021

| S of A £ | | £ | £ |
|-----------------------|------------------------|----------|------------------|
| | DISTRIBUTIONS | | |
| (100.00) | Ordinary Shareholders | NIL | NIL |
| | | | |
| (4,851,108.20) | | | 53,709.60 |
| | REPRESENTED BY | | |
| | Vat Receivable | | 7,935.48 |
| | Lloyds Current Account | | 66,523.70 |
| | Vat Payable | | (20,749.58) |
| | | | 53,709.60 |

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Appendix VII: Estimated Outcome Statement

Fruehauf Limited
Estimated Outcome Statement as at 20 September 2021

| | | | Estimated to Realise |
|--------------------------------------------------------------------------|-------|-----------------|---------------------------|
| | Notes | Book Value £ | Administration £ |
| Assets subject to Fixed Charge | | | |
| Goodwill, IPR, Records, Contracts and Accreditations | 1 | | 100,000 |
| Less: Costs of Realisation | | | |
| Office Holders' Post Appointment Fees | | | (10,000) |
| Post Appointment Legal Fees | | | (5,000) |
| Corporation Tax | 2 | | Uncertain |
| Post Appointment Accountants Fees | 2 | | (1,500) |
| Agent's Fees | | | (10,000) |
| | | | <u>73,500</u> |
| Less: Fixed Charge in Favour of RCI Limited | 3 | | (1,621,092) |
| Less: Fixed Charge in Favour of Iain McKeand | 3 | | (1) |
| Surplus/(Shortfall) Carried Down to Floating Charge | | | <u><u>(1,547,593)</u></u> |
| Assets specifically pledged | | | |
| Stock | | | 221,750 |
| Less: Stocking Finance - Close Asset Finance | | | (242,516) |
| | | | <u>(20,766)</u> |
| Plant and Machinery | | | 98,750 |
| Investec | | | (228,200) |
| Balance carried down to unsecured | | | <u>(129,450)</u> |
| Plant and Machinery | | | 23,000 |
| Less: Northridge | | | (30,700) |
| Balance carried down to unsecured | | | <u>(7,700)</u> |
| Assets subject to Floating Charge | | | |
| Tangible Fixed Assets | 1 | 1,022,721 | 512,400 |
| Stock | 1 | 2,200,000 | 550,000 |
| Book Debts | 4 | 601,037 | 205,438 |
| Intercompany Debtors | 5 | 2,158,806 | Uncertain |
| Equity in Aldermore plant and finance agreement | | | 87,600 |
| Trading Profit/(loss) | | | (100,000) |
| | | | <u>1,255,438</u> |
| Expenses | | | |
| Joint Administrators' Pre Appointment Fees | | | (38,969) |
| Pre-Appointment Agent's Fees | | | (2,705) |
| Pre-Appointment Legal Fees - Gateley | | | (150) |
| Pre-Appointment Legal Fees - Applicants | | | (38,802) |
| Pre-Appointment Fees - Re Iain McKeand/Red Circle | | | (8,000) |
| Office Holders' Fees - Quantuma Advisory Limited | | | (350,511) |
| Office Holders' Fees - UHY Hacker Young LLP | | | (108,650) |
| Office Holders' Disbursements - Quantuma Advisory Limited | | | (1,000) |
| Office Holder's Disbursements - UHY Hacker Young LLP | | | (960) |
| Legal Fees and Disbursements - Gateley | | | (6,150) |
| Legal Fees and Disbursements - Howes Percival | | | (55,000) |
| Debt Collection Fees | | | (9,216) |
| Agents Fees and Disbursements | | | (54,886) |
| Insurance | | | (10,000) |
| Storage/ collection of records | | | (1,500) |
| Pension Agent | | | (5,000) |
| Surplus/(Shortfall) available to Preferential Creditors | | | <u>563,940</u> |
| Preferential Creditors | | | |
| Employees - Holiday Pay | 6 | | Nil |
| Employee Pension Contributions | 7 | | (17,000) |
| Surplus/(Shortfall) available to secondary Preferential Creditors | | | <u>546,940</u> |

Secondary Preferential Creditors

| | |
|-----------------------|-------------|
| HMRC - PAYE and EE NI | (391,127) |
| HMRC - VAT | (1,411,231) |

| | |
|---------------------|--------------------|
| Net Property | (1,255,419) |
|---------------------|--------------------|

| | |
|-----------------------|-----|
| Less: Prescribed Part | N/A |
|-----------------------|-----|

| | |
|--------------------------------------------------------|------------------|
| Balance available for Floating Charge Creditors | Nil |
| | (251,084) |

Secured Creditor shortfall b/d

| | | |
|--------------|---|-------------|
| RCI Limited | 2 | (1,547,592) |
| Iain McKeand | 2 | (1) |

| | |
|-------------------------------------------------------------|--------------------|
| Surplus/(Shortfall) available to Unsecured Creditors | (3,054,095) |
|-------------------------------------------------------------|--------------------|

| | |
|--------------------------|-----|
| Add: Prescribed Part b/d | Nil |
|--------------------------|-----|

Unsecured Creditors

| | | |
|----------------------------------------------|---|-------------|
| Employees' Wages, Redundancy and PILON | 7 | (878) |
| Employees' Pension Contributions (Unsecured) | | (180,000) |
| Trade & Expense | | (2,179,820) |
| Loan D Thomson | | (70,000) |
| HMRC - Employers NI | | (178,693) |
| Shortfall to Finance Companies b/d | | (157,916) |
| Connected Companies | | (55,695) |
| White Oak Loan | | (42,993) |

| | |
|----------------------------------------------------|--------------------|
| Estimated Deficiency to Unsecured Creditors | (5,920,090) |
|----------------------------------------------------|--------------------|

| | |
|-----------------------------------------------------------------|-------------|
| Estimated Return to Secured Creditor Red Circle (p in £) | 6.17 |
|-----------------------------------------------------------------|-------------|

| | |
|-------------------------------------------------------------------|------------|
| Estimated Return to Secured Creditor Iain McKeand (p in £) | Nil |
|-------------------------------------------------------------------|------------|

| | |
|------------------------------------------------------------|---------------|
| Estimated Return to Preferential Creditors (p in £) | 100.00 |
|------------------------------------------------------------|---------------|

| | |
|----------------------------------------------------------------------|--------------|
| Estimated Return to secondary Preferential Creditors (p in £) | 30.35 |
|----------------------------------------------------------------------|--------------|

| | |
|---------------------------------------------------------|------------|
| Estimated Return to Unsecured Creditors (p in £) | Nil |
|---------------------------------------------------------|------------|

Notes

The figures in the above statement are estimates and are subject to change. This statement is for illustrative purposes only and is exclusive of VAT.

- 1) These assets have been included in the sale of the business to MV Fruehauf Limited.
- 2) Potential gain following the sale of Goodwill after costs, an accountant will be instructed to review the position and consider set off claim in respect of terminal loss relief.
- 3) Fixed and floating charges in favour of Red Circle Investments Limited and Iain McKeand are registered at CH. These charges are subject to further review.
- 4) After deducting known bad and doubtful debts a 30% bad debt provision has been applied to the balance.
- 5) The intercompany debtor balances are currently under review however the entities are active and realisations are expected once a reconciliation has been
- 6) The employees have transferred to MV Fruehauf Limited under the TUPE regulations and therefore no claims are anticipated.
- 7) It is understood that there are pension arrears dating back to May 2020. Four months of employee contributions will rank as preferential, the balance of the unpaid contributions will rank as an unsecured claim.

Fruehauf Ltd (in Administration)

The Joint Administrators' Statement of Proposals

Appendix VIII: The Joint Administrators' Fees & Expenses Estimate – Quantum Advisory Limited

Estimate of Fees and Expenses for Fruehauf Ltd (in Administration) To 04/08/2022 or for the life of the case

Summary

| Classification of Work Function | Total Hours | Avg Hourly Rate £ | Time Cost £ |
|---------------------------------------------------|----------------|----------------------|----------------|
| Admin & Planning | 15.00 | 416.67 | 6,250.00 |
| Admin & Planning | 17.00 | 459.56 | 7,812.50 |
| Case strategy / Review | 21.00 | 269.29 | 5,655.00 |
| General Administration | 4.70 | 274.89 | 1,292.00 |
| Insurance / Bonding | 0.30 | 530.00 | 159.00 |
| VAT & CT matters and returns | 2.50 | 274.00 | 685.00 |
| Cashiering | 37.00 | 141.62 | 5,240.00 |
| Cashiering | 2.00 | 257.50 | 515.00 |
| Creditors | 9.50 | 280.53 | 2,665.00 |
| Creditor correspondence / Call | 7.00 | 240.00 | 1,680.00 |
| Creditors | 9.50 | 203.16 | 1,930.00 |
| Dealing with HMRC/RPO Claims | 1.00 | 257.50 | 257.50 |
| Dealing with Pension Schemes | 6.00 | 271.25 | 1,627.50 |
| Employees | 6.00 | 283.17 | 1,699.00 |
| ERA | 0.50 | 257.50 | 128.75 |
| Final report | 7.00 | 282.86 | 1,980.00 |
| Initial Appointment Notifications to Creditors | 43.00 | 257.50 | 11,072.50 |
| Para 49 Administrators' Proposals | 24.00 | 295.00 | 7,080.00 |
| Para 53 Report of Initial Meeting/Deemed Approval | 1.00 | 257.50 | 257.50 |
| Payment of dividends | 1.00 | 257.50 | 257.50 |
| Retention of Title | 8.00 | 312.19 | 2,497.50 |
| SIP 16 Disclosure | 6.00 | 302.92 | 1,817.50 |
| Unsecured Creditors claims | 1.50 | 257.50 | 386.25 |
| Investigations | 3.00 | 316.67 | 950.00 |
| CDDA Reports | 180.00 | 360.69 | 64,925.00 |
| Pursuing Antecedent Transactions | 40.00 | 356.56 | 14,262.50 |
| SIP 2 Review | 17.00 | 313.82 | 5,335.00 |
| Realisation of Assets | 1.50 | 257.50 | 386.25 |
| Arranging & Monitoring Insurance | 6.00 | 285.00 | 1,710.00 |
| Debtors | 2.50 | 312.00 | 780.00 |
| Financed assets | 4.50 | 530.00 | 2,385.00 |
| Goodwill | 0.60 | 530.00 | 318.00 |
| Intellectual Property | 0.30 | 530.00 | 159.00 |
| Realisation of Assets | 21.50 | 416.40 | 8,952.50 |
| Sale of Business | 21.50 | 416.40 | 8,952.50 |
| Stock | 106.00 | 450.75 | 47,780.00 |
| Trading | 0.50 | 530.00 | 265.00 |
| Employee issues / payroll | 11.50 | 328.59 | 3,778.75 |
| Forecasting / cashflows / banking | 24.00 | 359.69 | 8,632.50 |
| Management of Operations | 20.50 | 490.12 | 10,047.50 |
| Negotiating with customers | 2.50 | 366.50 | 916.25 |
| Negotiating with suppliers | 11.20 | 269.67 | 3,020.25 |
| Trading | 305.00 | 370.37 | 112,962.50 |
| | 988.60 | 354.55 | 350,511.00 |

The Joint Administrators are seeking to be remunerated on a time costs basis. Charge out rates are used appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Please note that this Fees Estimate reflects the work undertaken and time anticipated to be incurred for the full period of the Administration and therefore it includes the time already incurred, details of which are provided in Appendix X.

Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. In this document the estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. We have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for that category of work.

This estimate has been provided to creditors at an early stage in the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the Joint Administrators' current understanding of the case and their knowledge and experience of acting as Joint Administrators in similar cases. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case.

The Fees Estimate has therefore been compiled on the following assumptions

- no exceptional work will be required to realise the remaining assets;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by the Joint Administrators' Proposals; and

This fee estimate covers the life of the case and based on the assumptions above, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the Fees Estimate. However in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate. A full outline and explanation of the fees incurred against the fees that have been estimated below will be provided to creditors with this request.

The hourly charge out rates that it is anticipated will be used on the case are as follows

| | £ |
|--------------------------------|---------|
| Managing Director | 480-580 |
| Director | 370 |
| Senior Manager | 340 |
| Assistant Manager | 275 |
| Senior Administrator | 235 |
| Administrator | 200 |
| Assistant Administrator | 135 |
| Cashier | 135 |

Please note that the rates quoted above will be used for each category of work outlined in the estimate and will be subject to periodic increase.

Narrative explanations are given below in relation to each category of work outlined in the estimate. A list of the activities under those categories that it is anticipated will be carried out is also provided.

Fruehauf Ltd (In Administration)**The Joint Administrators' Statement of Proposals**

| ADMINISTRATION & PLANNING | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Joint Administrators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards. | |
| Description of work undertaken | Includes |
| Administration & Planning | |
| Initial Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment | Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements Filing statutory notifications with the Pensions Regulator and Pension Protection Fund |
| Obtaining a specific penalty bond. | |
| Recovering & Scheduling the company's books and records. | Collection and making an inventory of company books and records |
| Setting up electronic case files and electronic case details on IPS. | |
| General Administration - Dealing with all routine correspondence and emails relating to the case. Dealing with all matters relating to Data Protection matters. | Dealing with Data Subject Access Requests. |
| Case strategy & completing file reviews at 1 month, 2 months & 6 months. | Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists |
| VAT & Corporation Tax matters and returns. | Preparation and filing of VAT Returns Preparation and filing of Corporation Tax Returns |

| CREDITORS | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Irrespective of whether sufficient realisations are achieved to pay a dividend to preferential or unsecured creditors, time will be spent in dealing with creditors' queries, assisting the employees in pursuing their claims via the RPS, dealing with retention of title claims and issuing statutory reports to creditors. In addition, as a dividend to preferential and secondary preferential creditors is anticipated, time will be spent adjudicating on those creditors' claims to ensure that the funds are distributed in accordance with each creditor's statutory entitlement. | |
| Description of work undertaken | Includes |
| ERA - completing documentation for submission to the Redundancy Payments Service ("RPS") and liaising with the RPS regarding employee claims | |
| Employees - obtaining information from records about employee claims and dealing with employee correspondence/calls regarding their claims | Assisting employees to pursue claims via the RPO |
| Dealing with creditor correspondence, emails and telephone conversations. | Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post |
| Dealing with Pension Schemes | Corresponding with the PPF and the Pensions Regulator Instructing agents to complete a review of the scheme |

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

| | |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>Liaising with agents to submit claim to the RPS for unpaid pension contributions</p> <p>Calculating balance of pension contributions that will not be covered by RPS</p> |
| Payment of Dividends - calculating, paying a dividend to creditors & issuing the declaration notice. | <p>Preparation of distribution calculation</p> <p>Preparation of correspondence to creditors announcing declaration of distribution</p> <p>Preparation of cheques/BACS to pay distribution</p> <p>Preparation of correspondence to creditors enclosing payment of distribution</p> |
| Dealing with HMRC/RPO claims | |
| Retention of Title - issuing ROT questionnaires to creditors, reviewing ROT claims & corresponding with creditors | <p>Receive initial notification of creditor's intention to claim</p> <p>Provision of retention of title claim form to creditor</p> <p>Meeting claimant on site to identify goods</p> <p>Adjudicate retention of title claim</p> <p>Forward correspondence to claimant notifying outcome of adjudication</p> <p>Preparation of payment vouchers and correspondence to claimant to accompany payment of claim (if valid)</p> <p>Exchanges with solicitors in deciding claims and dealing with disputes</p> |
| Creditors' Decision Procedures | <p>Preparation of notices, proxies/voting forms and advertisements</p> <p>Circulate notices to all known creditors</p> <p>Collate and examine proofs and proxies/votes to decide on decisions/resolutions</p> <p>Preparation of file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement and draft minutes.</p> <p>Responding to queries and questions following decision procedure/meeting</p> <p>Issuing notice of result.</p> |
| Secured Creditor Reports/Claims | <p>Seeking solicitors' advice on the validity of secured creditors' claims – note that further time in relation to this has been categorised under investigations.</p> <p>Paying distribution to secured creditors and seeking confirmation of discharged claims if applicable.</p> |
| Progress Reports | <p>Preparing, circulating and filing progress reports.</p> <p>Disclosure of sales to connected parties</p> |
| SIP 16 Disclosure | <p>Drafting the SIP 16 Disclosure</p> <p>Emailing the SIP 16 to IPA/ICAEW</p> |
| Para 49 Administrators' Proposals | <p>Drafting the Adm Proposals</p> <p>Filing ADM Proposals at RoC</p> |
| Para 53 Report of Initial Meeting/Deemed Approval Documentation | <p>Drafting post initial meeting/decision procedure documentation.</p> |

INVESTIGATIONS

The insolvency legislation gives the Joint Administrators powers to take recovery action in respect of what are known as antecedent transactions e.g. where assets have been disposed of prior to the commencement of the insolvency procedure (and also in respect of matters such as misfeasance and wrongful trading). The Joint Administrators are required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation.

The Joint Administrators have been advised of various matters to be investigated which includes the transactions surrounding the creation of the debentures over the Company's assets. The estimated time required to be spent to do so and the time costs of doing so are included in the estimate.

The matters identified so far are complex and therefore have required input from senior members of staff.

| Description of work undertaken | Includes |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Investigations | |
| SIP 2 Review - Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and | Correspondence to request information on the company's dealings, making further enquiries of third parties |

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

| | |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc. | Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with the committee/creditors or major creditors about further action to be taken |
| CDDA Reports - Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act. | Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service Preparation and submission of supplementary report if required Assisting the Insolvency Service with its investigations |
| Investigating & Pursuing Antecedent Transactions | |

REALISATION OF ASSETS

The receipts and payments account sets out the realisations achieved to date and the Estimated Outcome Statement sets out the total anticipated realisations and the financial benefit that this work is expected to generate for creditors. Work that has already and is anticipated to be carried out in relation to asset realisation is as follows.

| Description of work undertaken | Includes |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Realisation of Assets | |
| Freehold/Leasehold Property | Liaising with valuers and agents on marketing strategy and offers received Dealing with tenant issues (if any) Liaising with secured creditors and landlords Agreeing assignment, surrender or disclaiming property |
| Plant & Machinery | Liaising with valuers, auctioneers and interested parties Reviewing asset listings Liaising with secured creditors and landlords |
| Financed Assets | Reviewing leasing documents Liaising with owners/lessors |
| Debtors | Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers Liaising with debt collectors and solicitors Agreeing debt collection agency agreements Dealing with disputes, including communicating with directors/former staff Pursuing credit insurance claims Submitting VAT bad debt relief claims |
| Sale of Business | Instructing and liaising with agents Preparing an information memorandum Liaising with potential purchasers Assessment and review of offers received Negotiating with intended purchaser Liaising with secured creditors and seeking releases Exchanges with solicitors to agree sale and purchase agreement Pursuing deferred sale consideration |
| Stock | Conducting stock takes Reviewing stock values Liaising with agents and potential purchasers Analysing the value in WIP Contracting with service-providers/suppliers to complete WIP |
| Sale of Shares | |
| Cash at Bank | Contacting the bank to arrange closure of the account and payment of the funds to the estate |
| Arranging & Monitoring Insurance | Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements |

Fruehauf Ltd (In Administration)**The Joint Administrators' Statement of Proposals**

| | |
|--|----------------------------------------------------------------------|
| | Reviewing insurance policies Correspondence with previous brokers |
|--|----------------------------------------------------------------------|

TRADING

The Joint Administrators decided to trade the business of the Company in order to achieve a sale of the business as a going concern in order to maximise the recoveries on behalf of creditors.

The particular tasks scheduled in this category of work are required to be undertaken in order to enable the Joint Administrators to monitor and control the trading of the business, and include statutory functions that are required to be undertaken when running any business.

| Description of work undertaken | Includes |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Trading | |
| Management of Operations | Analysing work in progress Establishing new accounts with utility providers Ensuring security of premises, computer system, equipment and stock Liaising with management and staff Site Supervision Authorising purchase orders Maintaining purchase order registry Preparing and authorising receipt vouchers Preparing and authorising payment vouchers Collecting sales ledger |
| Forecasting/Cashflow/Banking | Reviewing company's budgets and financial statements Preparing budgets Preparing weekly financial reports Finalising trading profit or loss Trading strategy review |
| Employee issues/payroll | Consultation with staff, employee and Union representatives and sub-contractors Review of staffing requirements for trading period including reviewing staff on furlough Liaising with Pensions regulator regarding auto-enrolment |
| Negotiating with customers | Liaising with customers to confirm orders and secure undertakings |
| Negotiating with suppliers | Liaising with suppliers to secure supplies Negotiating with ransom creditors |
| TAX/VAT | Concluding payroll and issuing forms P45 when trading ceases VAT returns |

CASHIERING

The Joint Administrators must ensure that estate bank accounts are opened and maintained in accordance with legislation and SIPs. Bank reconciliations are performed on all bank accounts.

| Description of work undertaken | Includes |
|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Opening, maintaining and managing the Office Holders' cashbook and bank account. | Preparing correspondence opening and closing accounts Requesting bank statements Correspondence with bank regarding specific transfers Maintenance of the estate cash book |
| Dealing with cheque requisitions | Issuing cheques/BACS payments |
| Dealing with deposit forms | Banking remittances |
| Bank Reconciliations | |

Fruehauf Ltd (In Administration)**The Joint Administrators' Statement of Proposals****CLOSING PROCEDURES**

The Joint Administrators are required by statute to effect an orderly end to the case and although this has no direct financial benefit to the creditors it is necessary so that final reports are filed at Companies House and Court and appropriate notifications are provided to creditors.

| Description of work undertaken | Includes |
|---------------------------------------------------------|----------|
| Filing final statutory returns at Companies House/Court | |

• **EXPLANATORY NOTES TO THE JOINT ADMINISTRATORS' EXPENSES ESTIMATE**

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the Administration and therefore it includes expenses already incurred, details of which are provided elsewhere in this document.

| Category 1 Expenses | Basis | Estimate of total (£) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------|
| Legal costs Gateley: general legal advice provided including ownership of IPR | Time costs | 6,150.00 |
| Legal costs Howes Percival: providing advice in respect of validity of security, sale of the business, potential rights of action | Time costs | 55,000.00 |
| Agents and Valuers SIA Group Asset Ingenuity Limited: providing a valuation and assisting with a sale of the company's business and assets | Time costs | 54,886.00 |
| Debt Collection MV Fruehauf Limited have been instructed to assist with the collection of the outstanding book debts | 10% of collections | 9,216.00 |
| Pension Specialists Clumber Consultants Limited: assisting with completing a review of the pension scheme and preparing the submission to the Redundancy Payments Service to claim for the outstanding contributions | Fixed fee basis to be agreed once they have reviewed | 5,000.00 |
| Advertising | At Cost | 88.00 |
| Printing & Postage costs of external provider | At Cost | 221.00 |
| Bond premium | At Cost | 135.00 |
| Record listing, storage & retrieval | At Cost | 1,500.00 |
| Insurance | At Cost | 10,000.00 |
| Trading expenses – estimated trading loss | | 100,000.00 |
| Total | | 262,196.00 |

| Category 2 Expenses | Basis £ | Estimate of total (£) |
|-----------------------------------------------------------------------------------------|---------|-----------------------|
| Mileage incurred as a result of necessary travel as per HMRC's approved rate (per mile) | 0.45 | 556.00 |
| Total | | 556.00 |

Fruehauf Ltd (In Administration)

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Appendix IX: Breakdown of the Joint Administrators' Time Costs (Quantuma Advisory Limited)

Time Entry - Detailed SIP9 Time & Cost Summary

6009182 - Fruehauf Ltd
To: 20/09/2021
Project Code: POST

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|-----------------------------------------------------------|--------------|--------------|----------------------------|----------------------------|---------------|------------------|-------------------------|
| 100 : Administration & Planning | 13.00 | 2.00 | 1.00 | 0.50 | 16.50 | 6,478.00 | 393.80 |
| 100A : Initial Statutory & General Notifications & Filing | 0.30 | 0.00 | 4.50 | 0.00 | 5.10 | 1,442.00 | 282.55 |
| 101 : Insurance / Bonding | 0.30 | 0.00 | 0.00 | 0.00 | 0.30 | 120.00 | 400.00 |
| 102A : Recovering & Scheduling books and records | 0.50 | 0.00 | 0.00 | 0.00 | 0.50 | 200.00 | 400.00 |
| 103 : IPS Case / File set up / Filing | 0.00 | 2.00 | 0.00 | 0.20 | 2.20 | 27.00 | 122.73 |
| 104 : General Administration | 0.50 | 0.00 | 9.20 | 5.30 | 15.00 | 2,664.50 | 177.63 |
| 105 : Case strategy / Review | 1.45 | 0.00 | 1.00 | 1.30 | 3.75 | 2,153.00 | 573.33 |
| 109 : VAT & CT matters and returns | 0.00 | 0.00 | 0.50 | 0.00 | 0.50 | 100.00 | 200.00 |
| Admin & Planning | 22.05 | 2.00 | 16.50 | 7.00 | 48.15 | 14,182.50 | 294.55 |
| 600 : Cashiering | 0.00 | 0.00 | 0.50 | 29.30 | 30.10 | 4,126.00 | 137.08 |
| Cashiering | 0.00 | 0.00 | 0.50 | 29.30 | 30.10 | 4,126.00 | 137.08 |
| 201 : Creditors | 0.00 | 0.00 | 1.10 | 5.50 | 6.60 | 1,063.00 | 160.91 |
| 202A : Employees | 0.70 | 0.00 | 3.30 | 0.30 | 4.30 | 1,096.50 | 255.00 |
| 203 : Creditor correspondence / Call | 0.50 | 0.00 | 4.50 | 0.00 | 5.70 | 1,671.50 | 293.25 |
| 204 : Unsecured Creditors claims | 0.00 | 0.00 | 1.20 | 0.00 | 1.20 | 330.00 | 275.00 |
| 204A : Dealing with Pension Schemes | 0.00 | 0.00 | 1.70 | 0.00 | 1.70 | 370.00 | 217.65 |
| 205 : Retention of Title | 0.00 | 0.00 | 1.40 | 0.00 | 1.40 | 385.00 | 275.00 |
| 212 : Initial Appointment Notifications to Creditors | 0.00 | 0.00 | 4.00 | 0.00 | 4.00 | 600.00 | 150.00 |
| 214 : SIP 16 Disclosure | 4.00 | 0.00 | 6.70 | 0.00 | 10.70 | 3,942.50 | 368.41 |
| 215 : Para 49 Administrators' Proposals | 8.00 | 5.50 | 18.30 | 0.00 | 32.10 | 10,348.50 | 322.41 |
| Creditors | 13.20 | 5.50 | 42.50 | 6.10 | 68.00 | 10,608.00 | 258.35 |
| 300 : Investigations | 29.50 | 0.00 | 0.00 | 3.00 | 32.50 | 11,623.00 | 357.63 |
| 301 : CDDA Reports | 0.00 | 0.00 | 0.00 | 0.30 | 0.30 | 40.50 | 135.00 |
| 302 : Pursuing Annuity Transactions | 0.50 | 0.00 | 0.00 | 0.00 | 0.50 | 240.00 | 480.00 |
| Investigations | 30.00 | 0.00 | 0.00 | 3.30 | 33.30 | 11,903.50 | 357.62 |
| 400 : Realisation of Assets | 10.50 | 4.50 | 0.00 | 1.50 | 16.50 | 5,653.50 | 342.63 |
| 401 : Freehold / Leasehold Property | 4.50 | 0.00 | 0.00 | 0.00 | 4.50 | 2,160.00 | 480.00 |
| 404 : Financial assets | 0.50 | 0.00 | 0.60 | 0.00 | 1.10 | 450.00 | 409.09 |
| 405 : Debtors | 0.00 | 0.00 | 2.20 | 0.00 | 2.20 | 600.00 | 272.73 |
| 406 : Sale of Business | 71.85 | 25.50 | 2.20 | 0.00 | 99.55 | 39,445.50 | 396.24 |
| 407 : Goodwill | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 288.00 | 480.00 |
| 408 : Stock | 0.50 | 0.00 | 0.00 | 0.00 | 0.50 | 240.00 | 480.00 |
| 409 : Intellectual Property | 0.20 | 0.00 | 0.00 | 0.00 | 0.20 | 144.00 | 720.00 |
| 412 : Arranging & Monitoring Insurance | 0.00 | 0.00 | 0.40 | 0.00 | 0.40 | 110.00 | 275.00 |
| Realisation of Assets | 88.75 | 30.50 | 5.60 | 1.50 | 126.35 | 49,316.00 | 390.62 |
| 500 : Trading | 78.00 | 113.00 | 41.80 | 0.00 | 232.80 | 90,340.00 | 388.06 |
| 501 : Management of Operations | 17.50 | 0.00 | 3.80 | 0.00 | 21.30 | 8,112.00 | 427.80 |

Time Entry - Detailed SIP9 Time & Cost Summary

6009182 - Fruehauf Ltd
To: 20/09/2021
Project Code: POST

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|------------------------------------------|---------------|---------------|----------------------------|----------------------------|---------------|-------------------|-------------------------|
| 502 : Forecasting / cash flows / banking | 9.00 | 0.00 | 10.10 | 0.00 | 19.10 | 7,057.50 | 369.50 |
| 503 : Employee issues / payroll | 3.00 | 0.00 | 9.10 | 0.00 | 12.10 | 3,992.50 | 314.37 |
| 504 : Negotiating with customers | 1.00 | 0.00 | 0.60 | 0.00 | 1.60 | 700.00 | 333.89 |
| 505 : Negotiating with suppliers | 0.50 | 0.00 | 10.70 | 0.00 | 11.20 | 3,182.50 | 284.15 |
| Trading | 109.00 | 113.00 | 78.90 | 0.00 | 298.90 | 114,347.50 | 382.69 |
| Total Hours | 263.00 | 121.80 | 142.10 | 47.80 | 654.70 | 213,325.50 | 355.11 |
| Total Fees Claimed | | | | | | 0.00 | |

Appendix X: Quantuma Advisory Limited - Charge-out Rates and Expenses Policy

CHARGE OUT RATES

Staff Allocation & Support Staff

An objective and practical approach is taken to each case which includes active CEO/Managing Director's 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. In accordance with the provisions of Statement of Insolvency Practice 9 (SIP 9), set out below are the current charge out rates per hour for the grades of staff employed within Quantuma Advisory Limited¹ ('Quantuma'), exclusive of VAT.

| Grade of Staff | Rate from 15 June 2020 |
|------------------------------------------|-------------------------------|
| CEO/Managing Director | £480.00 - £580.00 |
| Appointment Taking Director | £400.00 - £500.00 |
| Director | £370.00 - £475.00 |
| Senior Manager | £340.00 – £415.00 |
| Manager | £310.00 - £375.00 |
| Assistant Manager | £275.00 – £335.00 |
| Senior Administrator | £235.00 – £285.00 |
| Administrator | £200.00 – £240.00 |
| Assistant Administrator | £135.00 - £160.00 |
| Case Accountant | £135.00 |
| Junior Administrator | £100.00 - £115.00 |
| Support Staff/Executive Assistant | £100.00 – £135.00 |

Work undertaken is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done.

Time spent on casework is recording directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is recorded under the following categories:

- Administration & Planning
- Creditors
- Investigations
- Realisation of Assets
- Trading
- Cashiering
- Closing Procedures

On occasion it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment any material changes will be notified to creditors as part of the normal fee reporting procedures. Rates are likely to be subject to periodic increase.

The time of support staff and executive assistants is not charged to a case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken.

Details of historic charge out rates are available to review [here](#) or will be provided upon request.

¹ On 1 August 2020, Quantuma LLP transferred its business to Quantuma Advisory Limited.

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Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holder or his staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

EXPENSES

Expenses are any payments from the insolvency estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate.

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2). The following details are effective from 1 April 2021. Details of historic disbursement charges are available to review [here](#) or will be provided upon request.

Category 1 Expenses:

These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.

Examples of these expenses include, but are not limited to, the following:

| Category 1 Expense – effective from 1 April 2021 | Basis of Charge |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Professional Advice e.g. costs of solicitors, agents & valuers, pensions advisors, employment specialists etc | Typically on a timecosts or fixed fee basis – the basis of charge will be agreed by the office holder so as to represent best value and will be provided in reports to creditors. 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. |
| Statutory & other Advertising | At cost incurred. |
| Indemnity Bond | At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment |
| Insurance of assets | At cost in relation to asset coverage requirements |
| Travel | All forms other than mileage at actual cost |
| Room Hire | All external venues at actual cost |
| Record Listing, Storage & Retrieval | At cost incurred |
| Printing & Postage costs of external provider. | At cost incurred |
| Virtual Meeting Platform (from 6/4/17) | At cost incurred |

Category 2 Expenses

These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration.

The term associate is defined in the insolvency legislation. Additionally SIP 9 directs that where a reasonable and informed third party might consider there would be an association, payments should be treated as if they are being made to an associate, notwithstanding the nature of the association may not meet the definition in the legislation.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Examples of Category 2 expenses include, but are not limited to, the following:

| Category 2 Expense – effective from 1 April 2021 | Cost |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| Mileage incurred as a result of necessary travel as per HMRC's approved rate (per mile) | £0.45 |
| Professional Services provided by non-insolvency service lines within Quantuma Advisory Limited or by associated Companies within the Corporate Group structure of Quantuma Advisory Limited | As advised to creditors on a case by case basis. |

The schedule is available for creditors to review at <http://www.quantuma.com/guide/creditors-guide-fees>.

VAT

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the office holders' remuneration and expenses invoiced to the insolvency estate will be subject to VAT at the prevailing rate.

Creditors' Rights

Information about Creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk>. Details about how an office holder's fees may be approved for each case type and challenged are available in a series of guides issued with SIP 9 and can be accessed at <https://www.quantuma.com/guide/creditors-guide-fees>. Alternatively hard copies of these documents may be requested free of charge from Quantuma's registered office.

Fruehauf Ltd (In Administration)**The Joint Administrators' Statement of Proposals****Appendix XI: UHY Hacker Young LLP - the Joint Administrators' fees estimate and time costs**

Please note that this estimate reflects the work undertaken and time anticipated to be incurred for the full period of the Administration and thus includes the time already incurred, details of which are below.

The fee estimate has been compiled on the following assumptions:

- the Joint Administrators' initial investigations will not identify any matters that require further investigations or pursuit;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by the Joint Administrators' Proposals;
- a dividend to unsecured creditors will not be available; and
- there will be no need to extend the Administration.

On these assumptions, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the fees estimate. However, in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

| General description | Includes | Estimate of no. of hours | Estimated blended hourly rate | Estimate of total |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------|-------------------|
| Administration (including statutory reporting) | | | | |
| Statutory/advertising | Review of statutory requirements undertaken by Quantuma Advisory Limited | 75 | 410.00 | 30,750 |
| Document maintenance/file review/checklist | Filing of documents Periodic file reviews, including ethical, anti-money laundering and anti-bribery matters Maintenance of statutory and case progression task lists/diaries Updating checklists | | | |
| Planning / review | Discussions regarding strategies to be pursued | | | |

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|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------|--------|
| | <p>Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case</p> <p>Meetings with Quantuma Advisory Limited, the Joint Administrators, regarding various aspects of the case</p> | | | |
| Creditor reports | <p>Review of the proposals, six monthly progress reports, fee authority report to secured and preferential creditors (where appropriate), conversion to CVL (where appropriate) and final report</p> <p>Reporting to secured creditor</p> | | | |
| Creditors' decisions | Review of the votes received and record of decision | | | |
| Investigations | | | | |
| SIP 2 Review | <p>Reviewing questionnaires submitted by creditors and directors</p> <p>Review of a reconstruction of financial affairs of the company</p> <p>Review of specific transactions identified</p> <p>Discussions with Quantuma Advisory Limited regarding any transactions identified and ascertain whether further action is required</p> <p>Liaising with the committee/creditors or major creditors about further action to be taken</p> | 35 | 410.00 | 14,350 |
| Statutory reporting on conduct of director(s) | Review of the statutory investigation report to be prepared by Quantuma Advisory Limited | | | |
| Examinations | <p>Preparing brief to solicitor</p> <p>Liaising with solicitor(s) regarding examinations</p> <p>Attendance at examination</p> | <p>It is not currently anticipated that this shall be required and therefore a fee estimate has not been provided.</p> | | |

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The Joint Administrators' Statement of Proposals

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|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----|--------|
| | Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available | | | |
| Litigation / Recoveries | Strategy meeting regarding litigation Seeking funding from creditors Reviewing terms of solicitors' conditional fee agreements Preparing brief to solicitors/Counsel Liaising with solicitors regarding recovery actions Dealing with ATE insurers Attending to negotiations Attending to settlement matters | It is not currently anticipated that this shall be required and therefore a fee estimate has not been provided. | | |
| Realisation of assets | | | | |
| Proposed company voluntary arrangement ("CVA") | Liaising with Iain McKeand and his various advisors and potential funders regarding the requirements of a CVA Discussions with Iain McKeand regarding the information required from the company and dealing with the requests for this information Arranging site visits for various parties | | | |
| Sale of the business and assets | Review of valuation and marketing advice Assessment and review of offers received Discussions with Quantuma Advisory Limited regarding offers and next steps Exchanges with solicitors to agree sale and purchase agreement Liaising with secured creditors and seeking releases | 100 | 410 | 41,000 |

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|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-----|--------|
| | Court application regarding release of security if not provided | | | |
| Trading | | | | |
| Accounting for trading | Reviewing cash flow forecasts prepared by Quantuma Advisory Limited and the accounting staff Discussions with Quantuma Advisory Limited regarding ongoing trading | 3 | 410 | 1,230 |
| Ongoing employee issues | Attending the staff meeting | | | |
| Creditors (claims and distribution) | | | | |
| Creditor communication | Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator | 52 | 410 | 21,320 |
| Dealing with proofs of debt ('POD') | Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend | | | |
| Processing proofs of debt | Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication | | | |

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|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| | Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims | | | |
| Distribution procedures | <p>Agreeing allocation of realisations and costs between fixed and floating charges</p> <p>Paying distribution to secured creditors and seeking confirmation of discharged claims</p> <p>Paying a distribution to preferential/secondary preferential</p> <p>Preparation of correspondence to creditors advising of intention to declare dividend</p> <p>Advertisement of notice of intended dividend</p> <p>Preparation of dividend calculation</p> <p>Preparation of correspondence to creditors announcing declaration of dividend</p> <p>Preparation of cheques/BACS to pay dividend</p> <p>Preparation of correspondence to creditors enclosing payment of distribution</p> <p>Seeking unique tax reference from HMRC, submitting information on PAYE/Ni deductions from employee distributions and paying over to HMRC</p> <p>Dealing with unclaimed dividends</p> <p>When paying the secondary preferential creditor the adjudication of HMRC's secondary preferential claim, may involve bringing the Company's preferential tax affairs up to date</p> <p><i>Please note a dividend to unsecured creditors is not anticipated and</i></p> | | | |

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| | | | | |
|--------------|----------------------------------------------------------|------------|------------|----------------|
| | <i>therefore the fee estimate does not include this.</i> | | | |
| Total | | 265 | 410 | 108,650 |

UHY Hacker Young LLP's charge out rate and disbursements policy is available to download at <https://www.uhy-uk.com/sites/default/files/2021-04/London-office-charge-out-rates-April-2021.pdf>. A hard copy is available upon request.

The Joint Administrators' Statement of Proposals

| Classification of work function | Partner | | Senior Manager | | Administrator | | Total Hours | Total Cost £ | Avg Hourly Rate £ |
|--------------------------------------|---------|------------|----------------|------------|---------------|--------|---------------|-------------------|----------------------|
| | Hours | £ | Hours | £ | Hours | £ | | | |
| Administration & Planning | | | | | | | | | |
| Administrative Set-up | 0.00 | 0.00 | 0.00 | 0.00 | 0.60 | 75.00 | 0.60 | 75.00 | 125.00 |
| Appointment Notification | 0.00 | 0.00 | 1.10 | 330.00 | 0.00 | 0.00 | 1.10 | 330.00 | 300.00 |
| Case Planning | 17.80 | 8,455.00 | 14.70 | 4,410.00 | 0.00 | 0.00 | 32.50 | 12,865.00 | 395.85 |
| Maintenance of Records | 2.10 | 700.00 | 0.70 | 87.50 | 0.00 | 0.00 | 2.80 | 787.50 | 281.25 |
| Statutory Reporting | 0.00 | 0.00 | 1.50 | 450.00 | 0.00 | 0.00 | 1.50 | 450.00 | 300.00 |
| Realisation of Assets | | | | | | | | | |
| Securing, Insuring Assets | 0.70 | 332.50 | 1.60 | 480.00 | 0.00 | 0.00 | 2.30 | 812.50 | 353.26 |
| Property, business and asset sales | 62.90 | 29,877.50 | 11.10 | 3,330.00 | 0.00 | 0.00 | 74.00 | 33,207.50 | 448.75 |
| Creditors | | | | | | | | | |
| Communication with Creditors | 1.40 | 665.00 | 4.50 | 1,350.00 | 0.00 | 0.00 | 5.90 | 2,015.00 | 341.53 |
| Creditors' Claims | 0.00 | 0.00 | 0.70 | 210.00 | 0.00 | 0.00 | 0.70 | 210.00 | 300.00 |
| Trading | | | | | | | | | |
| Accounting for Trading | 0.50 | 237.50 | 0.60 | 180.00 | 0.00 | 0.00 | 1.10 | 417.50 | 379.55 |
| On-going Employee Issues | 0.70 | 332.50 | 0.90 | 270.00 | 0.00 | 0.00 | 1.60 | 602.50 | 376.56 |
| Investigations | | | | | | | | | |
| Antecedent Transactions | 4.90 | 2,327.50 | 0.00 | 0.00 | 0.00 | 0.00 | 4.90 | 2,327.50 | 475.00 |
| TOTAL HOURS | 91.00 | | 37.40 | | 0.60 | | 129.00 | | |
| TOTAL TIME CHARGED (£) | | £42,927.50 | | £11,097.50 | | £75.00 | | £54,100.00 | |
| Average hourly cost (£) | | 471.73 | | 296.72 | | 125.00 | | | 419.38 |

All figures are shown net of VAT

Fruehauf Ltd (In Administration)**The Joint Administrators' Statement of Proposals****UHY Hacker Young LLP - expense estimate**

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the Administration and thus it includes expenses already incurred, details of which are provided elsewhere in this document.

| Category 1 Expenses | Basis | Estimate of total |
|----------------------------|----------------------|--------------------------|
| Bond premium | Based on asset value | £850.00 |
| Case management software | Fixed fee | £110.00 |
| Total | | £960.00 |

The Joint Administrators' Statement of Proposals

Appendix XII: Summary of the Joint Administrators' Proposals

In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

- The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they realise the Company's remaining assets at such time(s) and on such terms as they consider appropriate;
 - (i) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (ii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- The Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- The Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
 - (i) in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - (ii) however, in the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Carl Jackson, Tauseef A Rashid and Brian Johnson will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 10; or
 - (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Carl Jackson, Tauseef A Rashid and Brian Johnson may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

Fruehauf Ltd (In Administration)

The Joint Administrators' Statement of Proposals

Appendix XIII: Decision Process Documents

NOTICE OF DECISION PROCEDURE

Company Name: Fruehauf Ltd (In Administration) ("the Company")
Company Number: 07176536
In the Business and Property Courts in England & Wales CR-2021-001401

This Notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrators of the Company, Carl Jackson and Tauseef A Rashid, of Office D, Beresford House, Town Quay, Southampton, SO14 2AQ, (telephone number 02380 821 874) and Brian Johnson of UHY Hacker Young LLP, Quadrant House, 4 Thomas More Square, London, E1W 1YW, who were appointed by the above-mentioned Court.

Creditors are invited to vote by correspondence on the following (for the full wording of proposed decisions, see overleaf):

1. The establishing of a Creditors' Committee, if sufficient nominations are received by 6 October 2021 and those nominated are willing to be members of a Committee¹.
2. The basis of the Joint Administrators' fees
3. The approval of the Joint Administrators' costs of mileage incurred as a Category 2 expense according to HMRC's calculated rate.
4. The approval of Associates' costs as a Category 2 expense as outlined in the Proposal and Expenses Estimate.
5. The approval of the pre-Administration costs

Overleaf is a voting form on which creditors may signify their decisions on the above matters. All voting forms, together with a proof of debt if one has not already been submitted, must be completed and returned to the Joint Administrator by one of the methods set out below:

By post to: Quantuma Advisory Limited, Office D, Beresford House, Town Quay, Southampton, SO14 2AQ

By email to: southamptonvoting@quantuma.com

Please note that, if you are sending votes by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All voting forms and proofs of debt must be delivered by 23.59 on the Decision Date, 6 October 2021.

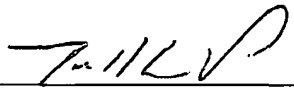
If the Joint Administrator has not received a proof of debt by the time specified above (whether submitted previously or as a result of this Notice), that creditor's vote will be disregarded. Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to vote. A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the time specified above.

Creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider the matter.

Statutory thresholds to request a meeting: 10% in value of the creditors
 10% in number of the creditors
 10 creditors

¹ Please see the Notice Inviting Creditors to Form a Committee for further instructions. Please note that, in the event that a Creditors' Committee is formed, authority to approve decisions 3, 4, 5 and 6 proposed above may be exercised by the Committee.

A creditor may appeal a decision by application to the Court in accordance with Rule 15.35 of the Rules.
Any such appeal must be made not later than 21 days after the Decision Date.

Signed:  Dated: 20 September 2021
Tauseef A Rashid
Joint Administrator

VOTE BY CORRESPONDENCE

Fruehauf Ltd (in Administration)

Name of Creditor: _____

Address: _____

Decisions:

| | | |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 1 | That a Creditors' Committee be established if sufficient nominations are received by 6 October 2021 and those nominated are willing to be members of a Committee. I nominate the following creditor to be a member of a Creditors' Committee and they have confirmed that they are willing to act: _____ | *For / Against |
| 2 | That Quantuma Advisory Limited's fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken, up to a limit of £350,511 plus VAT | *For / Against |
| 3 | That UHY Hacker Young LLP's fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken, up to a limit of £108,650 plus VAT | *For / Against |
| 4 | That the Joint Administrators be authorised to recover mileage incurred as a Category 2 expense according to HMRC's calculated rate. | *For / Against |
| 5 | That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved. | *For / Against |

*** Please delete as applicable to indicate your voting instructions**

Signed: _____ Dated: _____

Name in capitals: _____

Position with, or relationship to, creditor or other authority for signature: _____

Are you the sole member/shareholder of the creditor (where it is a company)?

Yes / No

NOTE: Once a vote has been cast, it cannot be changed.

Please complete this form and return it, along with a completed proof of debt if you have not submitted one previously, so that it is delivered by 23.59 on 6 October 2021, by:

Post: Quantuma Advisory Limited, Office D, Beresford House, Town Quay, Southampton, SO14 2AQ

Email: please scan in a signed copy of this form and attach it as a pdf to southamptonvoting@quantuma.com

NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

Company Name: Fruehauf Ltd (In Administration) ("the Company")

Company Number: 07176536

In the Business and Property Courts in England & Wales CR-2021-001401

This Notice is given under Rule 3.39 of the Insolvency Rules (England & Wales) 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Tauseef A Rashid, of Quantuma Advisory Limited, Office D, Beresford House, Town Quay, Southampton, SO14 2AQ, telephone number 02380 821 874, who was appointed by the above-mentioned Court.

Creditors are invited to nominate creditors (which may include themselves) by completing the section below and returning this Notice to the Joint Administrator by one of the following methods:

By post to: Quantuma Advisory Limited, Office D, Beresford House, Town Quay, Southampton, SO14 2AQ

By email to: Alison.Broeders@quantuma.com

Please note that, if you are sending nominations by post, you must ensure that you have allowed sufficient time for the Notice to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All nominations must be delivered by: 12noon on 6 October 2021

Nominations can only be accepted if the Joint Administrator is satisfied as to the nominated creditor's eligibility under Rule 17.4 of the Rules.

For further information on the role of Creditors' Committees, go to:
<http://www.quantuma.com/guide/guide-creditors-committee>

Signed: _____

Tauseef A Rashid
Joint Administrator

Dated: 20 September 2021

NOMINATIONS FOR MEMBERS OF A CREDITORS' COMMITTEE

Fruehauf Ltd (In Administration)

On behalf of (name of Creditor): _____ ,

at (address of Creditor): _____ ,

I nominate the following creditor(s) to be member(s) of a Creditors' Committee (provide name(s) and address(es)):

1. _____

2. _____

3. _____

Signed: _____

Dated: _____

Name in capitals: _____

Position with, or relationship to, Creditor or other authority for signature: _____

Are you the sole member/shareholder of the Creditor (where it is a company)?

Yes / No