

# AM03

## Notice of administrator's proposals



Companies House

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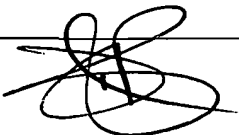
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COMPANIES HOUSE

<b>1</b>	<b>Company details</b>	
Company number	0 9 8 0 9 0 9 1	<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
Company name in full	Elite Contract Lifting And Plant Movement Ltd	
<b>2</b>	<b>Administrator's name</b>	
Full forename(s)	Darren	
Surname	Brookes	
<b>3</b>	<b>Administrator's address</b>	
Building name/number	The Old Bank	
Street	187a Ashley Road	
Post town	Hale	
County/Region	Cheshire	
Postcode	W A 1 5 9 S Q	
Country		
<b>4</b>	<b>Administrator's name ①</b>	
Full forename(s)		<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname		
<b>5</b>	<b>Administrator's address ②</b>	
Building name/number		<b>② Other administrator</b> Use this section to tell us about another administrator.
Street		
Post town		
County/Region		
Postcode		
Country		

AM03

## Notice of Administrator's Proposals

6	Statement of proposals		
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals		
7	Sign and date		
Administrator's Signature	<div>Signature</div> <div>✕  ✕</div>		
Signature date	<div><div><sup>d</sup>0<sup>d</sup>8</div><div><sup>m</sup>0<sup>m</sup>8</div><div><sup>y</sup>2<sup>y</sup>0<sup>y</sup>2<sup>y</sup>2</div></div>		

# 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	Darren Brookes									
Company name	Milner Boardman & Partners									
Address	The Old Bank									
	187a Ashley Road									
Post town	Hale									
County/Region	Cheshire									
Postcode	W	A	1	5		9	S	Q		
Country										
DX	office@milnerboardman.co.uk									
Telephone	0161 927 7788									



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



### Important information

All information on this form will appear on the public record.



### Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)



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**Administrator's Proposals relating to  
Elite Contract Lifting and Plant Movement Ltd ("the Company") – In Administration**

**Issued on: 8 August 2022**

**Delivered to creditors on: 10 August 2022**

Darren Brookes  
Administrator of Elite Contract Lifting and Plant Movement Ltd  
Milner Boardman & Partners  
The Old Bank  
187a Ashley Road  
Hale  
Cheshire  
WA15 9SQ

Our Ref: DTB/NB/WH/3315/7

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I am the Administrator of the Company, and these are my statutory proposals relating to the Company.

## 1. STATUTORY INFORMATION

Company name: Elite Contract Lifting and Plant Movement Ltd

Previous name: Think Logistics Ltd

Trading name: Elite Contract Lifting and Plant Movement

Company number: 09809091

Date of incorporation: 5 October 2015

Trading address: 124 City Road, London, EC1V 2NX (Virtual Office)

Previous trading address: Kemp House, 152-160 City Road, London, EC1V 2NX

Current registered office: 124 City Road, London, EC1V 2NX

The change of registered office form has not yet been filed at Companies House; however, it is proposed to change the registered office to c/o Milner Boardman & Partners ("MBP"), The Old Bank, 187a Ashley Road, Hale, Cheshire WA15 9SQ

Principal trading activity: Contract lifting and plant movement

Share capital: Authorised 30 Ordinary Shares of £1 each  
Issued 30 Ordinary Shares of £1 each

Shareholding: Steve Peggs 16 Ordinary Shares of £1 each (53.33%)  
Colin Marshall 7 Ordinary Shares of £1 each (23.33%)  
James Kirton 7 Ordinary Shares of £1 each (23.33%)

Current director: Steve Peggs Appointed 1 August 2016

Former directors: James Kirton Appointed 5 October 2015  
Resigned 18 June 2020

Colin Marshall Appointed 1 August 2016  
Resigned 31 March 2019

Company secretary: None

Registered Charges:	Mortgage Type:	Fixed and floating charge
	Person Entitled:	HSBC UK Bank Plc ("HSBC")
	Created:	15 November 2018
	Registered:	19 November 2018
	Status:	Outstanding

Appointment Details	
Administrator:	Darren Brookes
Date of appointment:	1 August 2022
Administrator's address:	MBP, The Old Bank, 187a Ashley Road, Hale, Cheshire, WA15 9SQ
Administrator's contact details:	01619277788 or <a href="mailto:office@milnerboardman.co.uk">office@milnerboardman.co.uk</a>
Court name and reference:	In the High Court of Justice, Business and Property Courts in Manchester, Insolvency and Companies List (Ch.D) Number: CR-2022-MAN-000586
Appointment made by:	Director, Steve Peggs, of 12 The Coppice, West Drayton, UB7 8DP

- 1.2 The financial position of the Company means that it has insufficient assets to enable a dividend to be paid to unsecured creditors. As a result, I am prohibited by the insolvency legislation from seeking a decision from the creditors to consider these proposals. As a result, I am not seeking a decision from the creditors to approve these proposals and they will be deemed to be approved, unless any valid objections are received, further details of which can be found at section 15.

## 2. COMPANY HISTORY

- 2.1 Creditors should note that, unless otherwise stated, this section of my proposals has been prepared based on information provided to me by the director of the Company and not from my personal knowledge as Administrator.
- 2.2 The Company was incorporated on 5 October 2015 and commenced trading immediately. The principal business activity was that of contract lifting, plant and machinery movement, aviation logistics and site planning. The Company was able to remove or install any type of commercial or industrial plant, including craneage or specialist lifting equipment and transport this across the UK.
- 2.3 The Company's trading address was 124 City Road, London, EC1V 2NX. The Company also rented space at Mentone Farm, Crane Road, Off Bedfont Road, Surrey, TW19 7LY.
- 2.4 At cessation of trade on 1 August 2022 the Company employed 5 members of staff, including the director.

- 2.5 It is understood that initial working capital for the Company was provided by way of loans from the former directors, however it currently uncertain how much remains outstanding to the former directors.
- 2.6 The Company operated a current account and a designated deposit account with HSBC. The Company had use of an overdraft facility with HSBC which was utilised as and when required and was limited to £50,000. As at commencement of the administration, the current account was overdrawn by approximately £49,000. In 2020, the Company received a 'bounce back loan' ("BBL") from HSBC in the sum of £50,000, of which circa £46,000 remains outstanding, bringing HSBC's total liability to approximately £95,000. There is a fixed and floating charge in favour of HSBC which was created on 15 November 2018 and registered on 19 November 2018. I am not aware of any personal guarantees by the current or former directors.
- 2.7 The last accounts filed at Companies House are for the year ended 31 October 2020. A summary of the accounts, together with a summary of the draft accounts prepared to October 2021, is shown below:

	Draft accounts for year ended 31 October 2021 (£)	Accounts for year ended 31 October 2020 (£)	Accounts for year ended 31 October 2019 (£)
Turnover	653,752.95	363,356	887,835
Cost of Sales	(114,866.07)	(283,591)	(534,707)
Gross Profit	538,886.88	79,765	353,128
Administrative expenses	503,715.52	(378,620)	(492,928)
Other operating income	-	77,472	-
Operating profit/(loss)	£35,171.36	(221,383)	(139,800)
Interest payable and similar charges/other expenses	(26,003.00)	(8,633)	(6,002)
Profit/(Loss) for the financial year	9,168.36	(230,016)	(145,802)
<b>Balance Sheet</b>			
Fixed Assets	249,349	247,630	276,699
Current Assets	62,561	51,544	170,866
Creditors: Amounts falling due within one year	(303,866)	(258,119)	(226,727)
Net current assets (liabilities)	(241,305)	(206,575)	(55,861)



Total assets less current liabilities	8,044	41,055	220,838
Creditors: Amounts falling due after more than one year	(171,848)	(213,417)	(159,184)
Provision for deferred taxation	(21,043)	(21,043)	(21,043)
Net (liabilities) assets	(184,847)	(193,405)	40,611
Called up share capital	20,000	20,000	20,000
Profit and loss account	(204,847)	(213,405)	20,611
Shareholders' Funds	(184,847)	(193,405)	40,611

- 2.8 It should be noted that the draft accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position.

### 3. CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATOR

- 3.1 The director advises that the Company started experiencing difficulties as a result of Brexit which resulted in a downturn in work.
- 3.2 The situation was exacerbated by the global Covid-19 pandemic which had a massive effect on the Company's contractual work at the airport as aviation ground to a halt, and all projects became mothballed with immediate effect. As detailed above, a BBL with HSBC was arranged, however the losses continued to impact on the business.
- 3.3 Although the work started to return in early 2022, unfortunately it was too little too late, and because the Company's turnover had seen a dramatic decline, it was confirmed in June 2022 that the Company was commercially unviable to hold contracts of any significant value.
- 3.4 The Company started receiving pressure from creditors and in July 2022 a CCJ was registered against the Company.
- 3.5 I understand that the director tried to sell the business, but attempts were unsuccessful given its financial position.
- 3.6 It became evident that it was not going to be possible to recover from the losses that had been made and as a result of this situation the director sought professional advice, resulting in the Company formally instructing MBP on 13 July 2022 to advise on the options available.
- 3.7 It was apparent that the Company was insolvent as it could not pay its liabilities as and when they fell due, in particular the Company was unable to pay the HMRC liabilities as detailed at section 7.11. It was apparent that it was not going to be possible to avoid a formal insolvency

- procedure, i.e. Company Voluntary Arrangement, Administration or Creditors' Voluntary Liquidation ("CVL").
- 3.8 It was concluded that the most appropriate course of action in order to provide the best outcome for the Company's creditors was to place the Company into Administration. This conclusion was based on the following:
- A moratorium would be in place in an Administration thus protecting assets from creditor actions.
  - Administration would enable a quick sale of the Company's assets to enable a distribution to be made to the secured and/or preferential creditors.
- 3.9 I was introduced to the Board of the Company by Ainscough Industrial Services on 26 May 2022. Ainscough Industrial Services had been introduced to MBP in 2018 via their accountants Messrs Fairhurst of Wigan when we dealt with a liquidation within the group. I was initially contacted by the director, Steve Peggs, on 27 May 2022 and held a meeting with him via Zoom on 30 May 2022 to discuss the financial affairs of the Company and to discuss the options available to the Company. As detailed above, MBP were formally engaged by the Company upon receipt of the signed engagement letter on 13 July 2022.
- 3.10 Prior to the commencement of the Administration I acted as advisor to the Board as a whole acting on behalf of the Company. No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, I was still required to act in my dealings with the Company in accordance with the Insolvency Code of Ethics.
- 3.11 Prior to being asked by the Board to assist in this matter, no partners, directors, or employee of MBP had any connection with the Company or its director or members. During the pre-appointment period, I acted as advisor to the Company on the various insolvency options available and when it became apparent that a pre-pack sale may potentially be the best outcome for creditors, I advised that an independent valuation of the assets would be required, plus a period of marketing. As required by the Insolvency Code of Ethics, I considered the various threats to my objectivity arising from this prior involvement, however I concluded that those threats were at an acceptable level such that I could still act objectively and hence could be appointed Administrator of the Company.
- 3.12 A Notice of Intention to Appoint an Administrator ("NOI") in respect of the Company was filed on 19 July 2022 and was served on HSBC as the holder of a qualifying floating charge and the Company by way of first-class post on 20 July 2022.
- 3.13 On 1 August 2022, a Notice of Appointment ("NOA") was filed, and I was appointed as Administrator of the Company by the director, Steve Peggs, and took over from the Board responsibility for the management of the affairs, business and property of the Company.
- 4. OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATOR'S STRATEGY**
- 4.1 As the Administrator of the Company, I am an officer of the Court, and must perform my duties in the interests of the creditors as a whole in order to achieve the purpose of the

Administration, which is to achieve one of the three objectives set out in the insolvency legislation as detailed below:

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

- 4.2 Objective a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.
- 4.3 Objective b) could not be achieved as the amount due to the Company's preferential creditors and HP/secured creditors compared to the value of its assets means that there are only sufficient assets to make a distribution to the preferential creditors.
- 4.4 As a result, I am seeking to achieve objective c) and will do this by facilitating a pre pack sale of the business and assets which will maximise realisations as detailed at section 6 and enable me to make a distribution to one or more secured or preferential creditors.
- 4.5 The insolvency legislation has set a 12-month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either apply to the Court or seek a decision from the creditors to extend the duration of the Administration.
- 4.6 In order to help me achieve the objective I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is reasonably practicable. I must also act in the interests of the creditors of the Company as a whole other than where objective c) is being pursued I need only ensure that I do not unnecessarily harm the interests of the creditors of the Company as a whole.

## **5. ACTIONS OF THE ADMINISTRATOR FOLLOWING APPOINTMENT**

- 5.1 Since I was appointed Administrator, I have taken steps to contact the Company's bankers in order to freeze the current account and establish the position. The Company operated a defined contribution pension scheme and I have submitted all relevant notices in respect of the pension scheme. A questionnaire has been issued to the director and former director to enable me to commence my initial investigations. I have also completed a pre-pack sale of the Company's business and certain assets, further details can be found in my Statement of Insolvency Practice 16 ("SIP 16") disclosure at section 6 of these Proposals.
- 5.2 In addition to the above, I have undertaken routine statutory and compliance work, such as filing notice of my appointment at Companies house and advertising the appointment in the London Gazette. These are tasks that are required by statute or regulatory guidance or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they must still be carried out.

5.3 I am continuing to deal with the day-to-day administration of this case, including dealing with creditor queries, and I am also pursuing all outstanding assets, principally the debtors, that are not included in the pre-pack sale detailed below.

5.4 I decided that the objective of the Administration was best achieved by selling the business and certain assets as a 'going concern'. As a result, the pre pack sale was completed on 1 August 2022 as detailed below.

## **6. PRE-PACK SALE / SIP 16 DISCLOSURE**

6.1 The term "pre-pack" refers to an arrangement under which the sale of all or part of the Company's business or assets is negotiated with a purchaser prior to the appointment of an Administrator and the Administrator effects the sale immediately on, or shortly after, appointment. The following comprises our disclosure to creditors in order to meet the requirements of SIP16 as regards the pre-pack sale.

### **6.2 The Role of the Insolvency Practitioner**

6.2.1 As set out above, I was initially contacted by the director on 27 May 2022 and held a meeting with him via Zoom on 30 May 2022 to discuss the financial affairs of the Company and to discuss the options available to the Company. As detailed above, MBP were formally engaged by the Company upon receipt of the signed engagement letter on 13 July 2022.

6.2.2 Prior to the commencement of the Administration, I advised the Board as a whole, acting on behalf of the Company, about the Company's financial difficulties and provided advice about the options available to the Company to help determine an appropriate course of action to take.

6.2.3 Ultimately the Company was placed into Administration, and I was appointed as Administrator. As an Administrator, I am an officer of the Court and I have taken over the management of the Company from the Board. The purpose of the Administration is to achieve one of the statutory objectives.

6.2.4 As detailed at section 4, I am seeking to achieve objective c) for the Company and will do this as I have facilitated a pre pack sale of the business and assets, and also by realising any assets not included in the pre-pack sale and making a distribution to one or more secured or preferential creditors.

6.2.5 As detailed above, prior to being asked by the Board to assist in this matter, no partners, directors, or employee of MBP had any connection with the Company or its director or members. During the pre-appointment period, I acted as advisor to the Company on the various insolvency options available and when it became apparent that a pre-pack sale may potentially be the best outcome for creditors, I advised that an independent valuation of the assets would be required, plus a period of marketing. As required by the Insolvency Code of Ethics, I considered the various threats to my objectivity arising from this prior involvement, however I concluded that those threats were at an acceptable level such that I could still act objectively and hence could be appointed Administrator of the Company.

### 6.3 Pre-Appointment Considerations

- 6.3.1 Alternative courses of action were considered, including CVL and trading whilst in Administration. A CVL scenario would likely have a negative effect on asset realisations and would also result in employee liabilities. The Company did not have any further use of an overdraft or secured lending facilities for it to trade whilst in Administration. Therefore, this combined with the financial position of the Company and the risk of trading meant that trading in Administration was not a viable option.
- 6.3.2 Marketing of the business was carried out as detailed below and an unconnected third party, AIS Vanguard Limited ("AIS"), expressed an interest in purchasing the Company and certain assets as a going concern.
- 6.3.3 On 28 July 2022, I consulted with the secured creditor HSBC and also HSBC Equipment Finance UK Ltd, who had provided finance on a certain assets, regarding the potential pre-pack sale and they did not raise any objections to the proposed strategy. It is understood that HSBC Equipment Finance UK Ltd are financing the assets for the purchaser.
- 6.3.4 The pre-pack sale of the business enables me to achieve the objective set out above as the realisations made will enable me to make a distribution to the secondary preferential creditor, while the transfer of the employees to the purchaser means that the Company has no ordinary preferential creditors, although there are still liabilities to HMRC as secondary preferential creditors. I can also confirm that the outcome achieved as a result of the pre-pack sale was the best available outcome for creditors of the Company as a whole in all the circumstances of the case and that it did not unnecessarily harm the interests of the creditors of the Company as a whole.

### 6.4 Valuation of the Business and Assets

- 6.4.1 The Company's filed accounts to 31 October 2020 record fixed tangible assets with a book value of £247,630, this includes plant & machinery with a book value of £247,188 (including assets subject to HP) and computer equipment with a book value of £442.
- 6.4.2 The Company's tangible assets were inspected by Peter Davies of Peter Davies & Sons Limited ("PDS") who is a member of the National Association of Valuers & Auctioneers and a Fellow of the Royal Society of Arts. PDS confirmed that they have not previously acted for the Company and that they were independent and able to act. PDS also hold professional indemnity insurance.

- 6.4.3 The summary of values report is as follows:

Asset category	Market value (in-situ) £	Market value (ex-situ) £
Unencumbered lifting & related equipment	11,000	3,700
Goodwill, website, domain name & IPR	20,000 - 40,000	Nil

<b>Financed Assets</b>		
Tractor unit & fork lift truck (HSBC Equipment Finance UK Ltd)	210,000 - 230,000  (Less estimated Consolidated outstanding balance c£130,000)	170,000 - 190,000  (Less estimated Consolidated outstanding balance c£130,000)
Equity	80,000 -100,000	40,000 - 60,000
Low Loader (Simple Finance)	22,500  (Less estimated outstanding balance c£25,000)	15,000  Less estimated outstanding balance c£25,000)
Negative Equity	2,500	10,000

#### 6.4.4 Valuation Definitions

**Market Value (In Situ):** The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. With the added assumption that the assets have been valued as a whole in its working place. The values provided do not represent a minimum acceptable figure(s) and should be utilised for guidance purposes.

**Market Value (Ex Situ)** The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. With the added assumption that the assets are valued for removal from the premises at the expense of the purchaser.

**Valuation Methodology:** The optimum method of valuation uses evidence of sales of assets, conducted in a free and open sales environment. Where possible therefore PDS' valuations are based upon available evidence, derived from sales of similar assets together with confidential enquiries of manufacturers, agents and dealers, with appropriate adjustments made to reflect age, condition and other relevant factors.

6.4.6 PDS have advised that the assets mainly consisted of the following:-

#### **Motor Vehicles (subject to finance)**

##### **Tractor Unit**

The Company operated a Volvo FH12 540 subject to a hire purchase agreement with HSBC Equipment Finance (UK) Limited. The tractor unit has an exceedingly low odometer reading, meaning the value is higher when compared to similar units on the market. Due to its age, it is also in very good condition. These types of assets' value rapidly declines once they are removed from the premises, hence the drop off in value.

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### **Fork Lift Truck**

HSBC Equipment Finance (UK) Limited also provided finance for the Company's forklift and it was understood HSBC would consolidate these agreements. This asset appeared to be in a good condition with relatively few hours on the clock, however, assets of this nature lose value as soon as they are removed from the business premises.

### **Trailer**

The Company operated a semi low loader which was financed with SAF1 Limited t/a Simply Finance with effect from 8th September 2021. The trailer appeared to be in good condition, however, assets of this nature are of value to the business in-situ but this value rapidly diminishes once they are removed from the premises.

### **Leased Vans**

The Company also leased two Ford Transit Vans from Lex Autolease, however, there is no purchase option and therefore they were excluded from the valuation.

### **Unencumbered Lifting & Related Equipment**

The lifting equipment held within three 20' shipping containers is of large use to the industry and has been described as well maintained by PDS. There was a small range of machine skates, pallet trucks, lifting slings, chain blocks, sack trucks, safety harnesses, shackles, props, beam clamps etc. No warranty is given, and no liability can be accepted for the safety of the assets. Furthermore, the equipment has not been examined under normal load operating conditions. No examination has been carried out as to the compliance of any asset with the manufacturers' tolerances on structural soundness & limitations. Assets of this nature are of value to the business in-situ, however they lose the majority of their value when moved elsewhere.

### **Office Furniture**

The company's de-commissioned office furniture is in a 40' shipping container on third party property. PDS have not inspected the subject assets but are confident that there is little value in the furniture.

### **Website & Domain Name**

[www.eliteltd.co.uk](http://www.eliteltd.co.uk)

There has in the last few years been a preponderance of new domain extensions and therefore, in general, the value of domain names has contracted to a point where, outside of a sale of the business, they have little or no value. Domain names are more valuable if: -

- They contain sought after search "Keywords" that are business specific;
- They are generic domains such as "business.com" or "jobs.com";
- They are shorter and do not have hyphens;
- .com is worth more than .co.uk

The Company's website (which may be subject to third party copyright or IPR claims) is modern and informative but would be relatively straightforward to replicate and would not be costly to construct but it has some value to a willing or connected buyer for continuity.

### **Goodwill**

The definition of goodwill is the possession of a ready-formed connection with customers considered as a separate element in the saleable valuation of the business. The Royal Institute of Chartered Surveyors Red Book advises caution when valuing goodwill and recommends the exclusion of turnover or profits, which are attributed solely to the personal skill, style or operation, and/or reputation of the existing owner or management.

PDS are not able to comment on the skill, style or reputation of the existing owner; however, goodwill can correctly be described as a wasting asset in an Insolvency situation.

### **Intellectual Property Rights ("IPR")**

It should be emphasised that IPR do not always have a ready market and therefore PDS's opinion of value, out of necessity, should be considered subjective. The range of values represents PDS's opinion on the most likely return for the IPR. Generally, intangible assets have little or no value in a break-up situation.

## **6.5 Marketing Activities Conducted**

6.5.1 PDS was instructed to market the availability of the offering to the marketplace to seek engagement with interested parties. PDS recommended a brief targeted marketing campaign be conducted in order to ensure a degree of exposure;

- The notice was placed on the PDS Website ([www.pdsvaluers.com](http://www.pdsvaluers.com))
- The business was advertised on "IP-Bid" which is an online platform aimed specifically at investors who are familiar with restricted time constraints often associated with insolvency matters. It is a single marketplace bringing together serious buyers and qualified sellers and is an efficient route-to-market. It is utilised extensively by Insolvency Practitioners and their agents. The platform emails details of the business and assets to pre-qualified interested parties looking to acquire businesses in targeted sectors.

6.5.2 The marketing commenced on 20 July 2022 and concluded on 28 July 2022.

6.5.3 This marketing strategy was recommended by PDS as it would ensure a degree of exposure and that the best price was achieved.

6.5.4 PDS received 4 expressions of interest and preliminary discussions were entered into with the interested parties by PDS. Only one party returned the Non-Disclosure Agreement.

6.5.5 As at 1 August 2022, I did not receive any offer or any further interest for the business and/or assets save for the one from AIS, detailed below.

## **6.6 The alternative courses of action considered, with an explanation of financial outcomes**

6.6.1 The following analysis, provided by PDS, considers the alternative possible outcomes when comparing the prepack sale against a CVL assuming that sufficient marketing was or was not carried out.



Estimated Outcome Statement			
	Open Market (£)	Prepack Sale (£)	Liquidation without sufficient marketing (£)
Business Intellectual Property	NIL	NIL	NIL
Customer Contracts	NIL	NIL	NIL
Goodwill	NIL	1	NIL
Seller's Records	NIL	NIL	NIL
Unencumbered lifting & related equipment	5,500	10,000	3,700
Financed assets (NET after deducting the settlement figure of £122,695.20)	57,304.80	84,804.80	37,304.80
TUPE	(33,000)	NIL	(33,000)
Asset sale marketing costs	(2,000)	(500)	(2,000)
Asset recovery costs to relocate for sale	(3,500)	NIL	(3,500)
<b>Total</b>	<b>27,500</b>	<b>94,805.80</b>	<b>2,504.80</b>

#### 6.7 Details of the pre-pack sale

6.7.1 An initial offer of £204,001 to purchase the business and assets of the Company was received from AIS. This offer was rejected however, after negotiations, the offer was increased to £244,161.45.

6.7.2 PDS did endeavour to negotiate an increase in the offer in respect of goodwill, but it did not prove possible to do so, given:-

- The name will disappear
- The reputation of the Company will disappear
- No framework agreements or contracts are to be novated over
- No work in progress is involved
- Future work is not guaranteed
- The Company entering administration will have a 'negative' impact on goodwill.

6.7.3 The offer was subsequently accepted upon recommendation by PDS and in the absence of any other offers.

6.7.4 In formulating their recommendation for acceptance, PDS took the following beneficial factors into account:-

- Seamlessness, which minimises erosion of client/customer confidence
- It preserves value as the net break-up realisations would be significantly less
- The trailer has a negative equity value
- Eliminates protracted procedural delays
- Removal of employee uncertainty
- Helps preserve the debtor ledger

- Alleviates risk that a sale may not ultimately be achievable, even if openly marketed
  - Avoids inherent risks of trading
  - Simplifies dealings with landlords
  - The purchaser, in adopting some of the employment contracts of all employees, will improve the overall creditor position by virtue of accepting responsibility for the Transfer of Undertakings Protection of Employment Regulations ("TUPE").
- 6.7.5 Taking into consideration the TUPE savings of 5 staff members (approximately £33,000), including the director who I understand will be employed by AIS, the additional agent's costs involved in removal, marketing and selling of the tangible assets and the factors listed above, this was considered the best available outcome for the creditors of the Company as a whole in all the circumstances of the case.
- 6.7.6 The sale was completed by way of a Sale Purchase Agreement which was completed on 1 August 2022. The business and certain assets were sold as a going concern to AIS as follows:

ASSET	PRICE APPORTIONMENT
<b><u>Fixed Charge Assets</u></b>	
Business Intellectual Property Rights	£1
Goodwill	£2
<b><u>Floating Charge Assets</u></b>	
Fixed Assets and Leased Assets	£244,156.45
Business Information	£1
Seller's Records	£1
<b>TOTAL</b>	<b>£244,161.45</b>

- 6.7.7 The fixed assets and leased assets shown in the table above at £244,161.45 can be further broken down as follows:-

Fixed Assets (also shown as unencumbered lifting & related equipment)

- 2.5m x 4m demountable box body
- Three 20' shipping containers
- A range of machine moving skates, pallet trucks, lifting slings, chain blocks, sack trucks, safety harnesses, shackles, props, beam clamps etc.
- Quantity of de-commissioned office furniture (on third party property)
- Two vans, registration numbers NV18 UBU & Y068 HXB (leased with no value)

Total Consideration for the above fixed assets: £10,000

Leased Assets

- Tractor Unit: £195,000
- Forklift: £12,500
- Trailer: £26,656.45 (amount required to settle finance only)

Total Consideration for the above leased assets: £234,156.45

- 6.7.8 The sale consideration of £244,161.45, less an agreed deduction of £15,222.16 as AIS paid the employees' wages & salaries to 31 July 2022, has been received in full.
- 6.7.9 As shown on the enclosed receipts and payments account, the outstanding finance owing to HSBC Equipment Finance UK Ltd (£122,695.20) and Simply Finance (£26,656.45) has been settled in full from the sale proceeds.
- 6.7.10 It is understood that the purchaser was independently advised by Clarke Willmott LLP.
- 6.7.11 There are no options, buy back arrangements or other conditions attached to the sale.
- 6.7.12 The purchaser AIS, company number 08964697, whose registered office is at Vanguard House, Bradley Lane, Standish, Wigan, Lancashire, WN6 OXF is not considered as a connected party.
- 6.7.13 All other assets are excluded from the above transaction and further details of these assets are provided below.

## **6.8 Conclusion of the pre-pack sale**

- 6.8.1 I can confirm that taking into consideration the preservation of jobs, the TUPE savings of approximately £33,000, the additional agent's costs involved in removal, marketing and selling of the tangible assets, means the sale price achieved and also the outcome has not unnecessarily harmed the interests of the creditors of the Company as a whole and was the best available outcome for the preferential creditors of the Company in all the circumstances of the case. It may also assist in book debt collections and enhance realisations. The pre-pack sale assists in achieving the statutory purpose of the Administration.

## **7. FINANCIAL POSITION OF THE COMPANY**

- 7.1 I have asked the director to prepare a summary of the Company's estimated financial position as at 1 August 2022, which is known as a Statement of Affairs, however given our recent appointment and request, this has not yet been prepared.
- 7.2 In the absence of a Statement of Affairs, I have prepared an estimate of the financial position of the Company as at 1 August 2022 from the records of the Company. I attach a copy of the estimate at Appendix 1, together with a list of names and addresses of all known creditors and the amounts of their debts. In respect of the former directors these will be removed before the proposals are filed at Companies House, I am required to include it with these proposals by rule 3.35 of the Insolvency (England and Wales) Rules 2016. As a result, this is a valid use of the personal data of the individual creditors and is not a breach of the General Data Protection Regulations (GDPR)
- 7.3 The book values used in the estimate of the financial position are based on the in-situ valuation figures extracted from the valuation report provided by PDS.
- 7.4 The estimate of the financial position at appendix 1 is purely for illustrative purposes at this stage and may be subject to adjustment in due course. It does not reflect the costs and expenses of the Administration.

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**Comments on the Administrator's estimate of the financial position of the Company:-**

**7.5 Assets Subject to Fixed Charge (being Business Intellectual Property Rights and Goodwill)**

- 7.5.1 These intangible fixed assets were included in the pre-pack sale to AIS as detailed above and a total of £3 was realised.

**7.6 Business Information & Sellers Records**

- 7.6.1 These were included in the pre-pack sale and a nominal value of £1 each was attributed to them.

**7.6 Tangible assets (including the fixed and leased assets)**

- 7.6.1 The tangible assets were also included in the pre-pack sale to AIS as detailed above and a total of £244,156.45 was realised.

**7.7 Book Debts**

- 7.7.1 According to the Company records, there were debtors of approximately £80,112 as at date of Administration. It is anticipated that these debts will be realised in full.

**Liabilities**

**7.8 Secured Creditors**

- 7.8.1 According to Companies House there is a fixed and floating charge registered against the Company on 18 November 2018 in favour of HSBC.
- 7.8.2 It is understood that at commencement of the Administration HSBC were owed circa £95,000 which includes the overdraft facility of £49,000 and the outstanding balance on the BBL of £46,000.
- 7.8.3 Fixed assets, including goodwill and business intellectual property rights, were included in the sale to AIS as detailed above, however only £3 was realised and therefore no distribution is expected under the fixed charge. Based on current information there is no prospect of a distribution to the secured creditor under the floating charge as the net property of the Company, after making a distribution to the secondary preferential creditors, is estimated to be nil.

**7.9 Prescribed Part**

- 7.9.1 There are provisions of the Insolvency legislation that require the Administrator to set aside a percentage of the Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. The prescribed part is calculated as:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property up to a maximum of £800,000

7.9.2 The Company gave a floating charge to HSBC on 15 November 2018 and the prescribed part provisions will apply. The Administrator's estimate of the financial position of the Company after taking into account the costs of the Administration, shows that the net property of the Company is nil therefore the prescribed part of the net property for unsecured creditors is nil.

#### **7.10 Ordinary Preferential creditors**

7.10.1 The Company employed 5 members of staff, including the director, however as detailed above all employees have been transferred over to AIS and therefore no ordinary preferential claims are expected in this matter.

7.10.2 The Company operated an auto-enrol pension scheme; however, I understand that all contributions were paid up to date and therefore I do not anticipate any ordinary preferential liability in respect of the Company pension.

#### **7.11 Secondary Preferential Creditors**

7.11.1 HMRC are secondary preferential creditors for certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. Secondary preferential debts are payable after all ordinary preferential debts have been paid in full, and before non-preferential unsecured debts.

7.11.2 It is estimated that approximately £58,056, including surcharges of circa £1,641, is owed to HMRC in respect of VAT.

7.11.3 It is understood that approximately £172,725, including interest charges of circa £5,093, is owed to HMRC in relation to PAYE/NI. It is understood that a proportion of this liability will relate to Employers' NI and as such will not fall into the secondary preferential category of debt, however the amount is unknown and will need to be verified following appointment. For the purpose of the estimate of the financial position at appendix 1, the full amount has been classed as secondary preferential.

#### **7.12 Non-Preferential Unsecured Creditors**

7.12.1 Total non-preferential unsecured creditors are estimated to be approximately £62,881 and are broken down as follows: -

- Trade and expense suppliers: £47,464
- Former directors: £1 each (uncertain)
- Lex Autolease: £1 (uncertain)
- Insurance Finance Agreements: £15,414

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- 7.12.2 A full schedule of creditors can be found at appendix 1. Where the amounts owed are unknown, uncertain or disputed for the purposes of the estimate of the financial position only I have scheduled them as uncertain with a value of £1.
- 7.12.3 It is understood that initial working capital for the Company was provided by way of loans from the former directors. It is uncertain how much remains outstanding to the former directors.
- 7.12.4 Lex Autolease has been listed on the Estimate of the Financial Position as a contingent creditor with an "uncertain" liability. The leased vehicles are included in the sale agreement, and it is understood that the leases will be novated to AIS, however Lex Autolease may have a contingent claim against the Company in respect of the lease agreements.
- 7.12.5 The Company's insurance brokers were Clear Insurance Management Ltd. It is understood that the insurance premiums were payable under finance agreements with Premium Credit and Close Brothers and that there was remaining balances of £8,235.84 and £7,178.29 respectively.
- 7.12.6 After discharging the costs of the Administration and making a distribution to the secondary preferential creditor, it is anticipated that realisations will be insufficient to enable any distribution to be made to non-preferential unsecured creditors of the Company.
- 8. ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT**
- 8.1 I attach at Appendix 2 a receipts and payments account covering the period since the date the Company entered into Administration on 1 August 2022.
- 8.2 The receipts and payments account has been reconciled to the financial records that I am required to maintain.
- 8.3 All amounts are shown net of VAT. The receipts represent the assets realised to date, as detailed above.
- 8.4 The Company was registered for VAT purposes and therefore VAT, if applicable, can be reclaimed for the benefit of the Administration estate.
- 9. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATOR TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION**
- 9.1 In order to achieve the objective of the Administration of the Company, I have effected the pre-pack sale and I propose to realise the remaining assets as detailed above. I also propose to make a distribution to the secondary preferential creditors.
- 9.2 Based on current known information about the Company's financial position, and after taking into account the anticipated office holder's fees and expenses, I think that it is unlikely that there will be sufficient assets to enable me to pay any dividend to non-preferential unsecured creditors, as detailed above and shown on the enclosed estimated outcome statement.

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**10. ADMINISTRATOR'S REMUNERATION AND EXPENSES**

10.1 The Administrator is entitled to receive remuneration for services in this case.

10.2 I attach a copy of my practice fee recovery policy at Appendix 4.

10.3 Remuneration must be fixed either as a percentage of the value of the property with which I am dealing, by reference to the time properly spent by the Administrator and their staff in dealing with this Administration, on a fixed fee basis, or on a mixed basis.

10.4 In this case I am seeking to fix the basis of my remuneration on a mixed fee basis as detailed below.

**10.5 Fixed fee basis**

10.5.1 I am seeking to be remunerated on a fixed fee basis in respect of the work my staff and I undertake in respect of the below categories of work. There are certain tasks that I have to carry out on nearly every case, namely Administration and Creditors. Although they are required by statute or regulatory guidance or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors but still have to be carried out.

**10.5.2 Administration**

This represents the work that is involved in the routine administration functions of the case by the office holder and his staff, together with the control and supervision of the work done on the case by the office holder and his managers. It does not give direct financial benefit to the creditors but has to be undertaken by the office holder to meet his requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that an office holder must follow.

**10.5.3 Creditors**

Claims of Creditors: The office holder needs to maintain up to date records of the names and addresses of the creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Distributions to creditors: Whilst I am required to maintain records of creditors' claims in all cases, in those cases where sufficient realisations are made to enable me to pay a dividend to creditors, I have to undertake certain statutory formalities. These include writing to creditors to obtain details of their claims and to review the claims and supporting documentation in order to formally agree their claims. In this case I anticipate being able to make a distribution to the secondary preferential creditor.

#### 10.5.4 Investigations

The insolvency legislation gives the office holder power to take recovery action in respect of what are known as antecedent transactions, 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 office holder is 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. If potential recoveries or matters for further investigation are identified then the office holder will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary.

The office holder is also required by legislation to report to the Secretary of State on the conduct of the directors and the work to enable them to comply with this statutory obligation is of no direct benefit to the creditors, although it may identify potential recovery actions.

- 10.5.5 After taking into account the nature and value of the assets involved and that this is a more complex case as highlighted above, I have concluded that a fixed fee of **£25,000** is necessary to cover that work. I have also compared the proposed fixed fee with my past time records for undertaking the work in respect of cases of a similar size and complexity and taken that into account when determining the level of the fixed fee sought, and as a result I believe that this demonstrates why the fixed fee is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken. Full details of the work that I will undertake for the fixed fee is contained at Appendix 3. Based on the value of the known assets of the Company, I anticipate being able to draw my proposed fixed fee in full.

#### 10.6 Percentage Basis

- 10.6.1 I am seeking to be remunerated on a percentage of realisations made in respect of the work my staff and I undertake in respect of work done relating to the realisation of assets. There are certain tasks that I only have to carry out where there are assets to recover. They may produce a direct benefit for creditors, but are subject to the costs of the proceedings generally. I undertake the work to protect and then realise the assets, initially at my own costs, suffering the loss if any asset is not realisable. If assets are recovered, I first recover my costs and then distribute any balance. I am seeking to recover a percentage of the assets that I realise, in order to remunerate me for the work that I undertake in realising them. The percentage I propose to charge will also share the anticipated benefit with the creditors. I am seeking to recover **15%** fee in respect of all net asset realisations in this case. I think the percentage I am seeking approval for reflects the risk that I am taking, the nature of the assets involved and the complexity of the case. I have also compared the proposed percentage for which approval is being sought with standard book debt agent recovery percentages and taken that into account when determining the percentage being sought. As a result, I believe that this demonstrates why the percentage proposed is expected to produce a fair and reasonable reflection of the work that I anticipate will necessarily and properly be undertaken.

- 10.7 Based on the assets of the Company being realised for the amounts estimated above, then my remuneration based on a percentage of such realisations would be **£26,237.70**.



- 10.8 I am seeking to be remunerated on the basis of a percentage of assets realised in respect of the work I am undertaking to realise those assets. I have selected a percentage charge for the assets that relates to the type of asset being realised and the work involved in realising that type of asset. In addition to the work specific to realising the asset for which I will be remunerated on a percentage basis, as detailed above, information about the routine work related to asset realisations that I will also undertake on a percentage basis is set out at Appendix 3.
- 10.9 I am not seeking a decision from the creditors on whether or not to approve these proposals as the Company's financial position means there are insufficient assets to pay a dividend to non-preferential unsecured creditors and the purpose of the Administration of the Company is to achieve objective c), that is to realise property in order to make a distribution to one or more secured or preferential creditors of the Company.
- 10.9 As a result, it will be for the secured and preferential creditor (HMRC) to approve my remuneration and category 2 expenses.
- 10.10 Further information about creditors' rights and rights to request information on Administrators remuneration 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 are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be found at [www.milnerboardman.com](http://www.milnerboardman.com) by clicking on "Useful Links" and "Creditors Guide to Fees" and "Administrators Fees" version 4. Please note that I have also provided further details in the Practice Fee Recovery Sheet.

#### 10.11 Expenses

10.11.1 Expenses are any payments from the 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 split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which 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.

10.11.2 My category 1 expenses incurred to date amount to £11,327.50 and are made up as follows:

Type of expense	Amount incurred/accrued since appointment (£)	Amount Still to be Paid (£)
Statutory advertising	96.50	96.50
Specific bond	420	420

Solicitors' fees (Bermans LLP ("Bermans"))	1,050	1,050
Solicitors' disbursements (Bermans)	30	30
Agents' fees (PDS)	9,481	9,481
Insurance of assets	250	250
<b>TOTAL</b>	<b>11,327.50</b>	<b>11,327.50</b>

10.11.3 To date no expenses have been paid from the estate.

10.11.4 The specific bond is insurance required by statute that every officeholder has to obtain for the protection of each estate, with the premium being based on the value of the Company's assets.

10.11.5 Open cover insurance is currently in place whilst we make further enquiries into the asset position, in particular the leased vehicles. I have inserted the minimum premium above, however if no insurance cover is required, this will be cancelled from inception and no charge should be applied.

10.11.6 I have used the following agents or professional advisors since my appointment as Administrator:

Professional Advisor	Nature of Work	Fee Arrangement
Bermans	Legal work	Time costs
PDS	Valuer	% of realisations
ERA Solutions Limited ("ERA")	Employment agents	No charge

10.11.7 The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I have also confirmed that they hold appropriate regulatory authorisations. I consider that the basis on which they will charge their fees represents value for money.

10.11.8 Bermans were instructed to assist with the appointment formalities, and they were also instructed to prepare the sale agreement. Most of their costs were incurred in the pre-appointment period as detailed below. As shown in the table above, some costs have been incurred since my appointment and these costs relate to settling finance agreements, corresponding with HSBC in relation to release, corresponding with HSBC Equipment Finance, post-completion correspondence with buyer's solicitors, advising on requirements for approval of Proposals and miscellaneous matters.

10.11.9 PDS was instructed pre-appointment (as detailed in Section 11) to carry out a valuation of the Company's assets and to assist with the sale as detailed above. Some of the work undertaken by PDS was completed pre-appointment therefore some of their fees are payable as a pre-administration expense, as detailed below, however a fee of 10% of realisations was agreed and is payable as an expense of the Administration.

10.11.10 I have subcontracted some of the work that I am required to undertake as Liquidator, namely calculating employees' claims for reporting purposes only. I sub-contracted this work because it was more cost effective than doing it in house and the sub-contractor is a specialist at such work. This work was sub-contracted to an unconnected third-party organisation, ERA, however as no employee claims are expected in this matter, ERA has agreed not to charge any fee for

this work. The choice of sub-contractors was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also confirmed that they hold appropriate regulatory authorisations.

10.11.11 In addition to the expenses already incurred, I anticipate the following expenses, totalling approximately £1,047, will arise in these proceedings:

Type of expense	Estimated Expense (£)
HM Land Registry search fee	22
Bank charges	25
Solicitors' fees (Bermans LLP ("Bermans"))	~1,000 (estimate only for miscellaneous matters)
<b>TOTAL</b>	<b>1,047</b>

10.11.12 Category 1 expenses do not have to be approved but when reporting to the creditors (and committee if applicable) during the course of the Administration, the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (e.g. where legal costs rise due to escalated recovery action).

10.6.13 I am required to seek approval before I can pay any expenses to associates or pay expenses where there is an element of shared costs, which are known as category 2 expenses. I propose that I am permitted to charge and recover Category 2 expenses. Details of our category 2 expenses recover policy are included within our practice fee recovery policy enclosed at appendix 4.

10.6.14 The following category 2 expenses have been incurred to date:

Type of category 2 disbursement	Amount incurred/accrued since appointment	Amount still to be paid
Photocopying	£20 (estimate)	£20 (estimate)

10.6.15 I anticipate that further category 2 expenses of £30, in relation to photocopying, will be incurred.

10.6.16 Total category 1 and category 2 expenses are estimated at £12,424.50.

10.6.17 I have already commented in this report about the likelihood of a return being made to each class of creditor of the Company, but also attach at Appendix 1 an estimated outcome statement. This sets out in numerical form the anticipated realisations that will be made, based on the estimated value of the Company's assets as detailed earlier in my report, together with the estimated payments to be made, based on my proposed remuneration and estimated expenses as detailed above. While every effort has been taken to make this as accurate as possible, creditors will appreciate that it will be affected by any differences between the amounts actually realised compared with the estimated value of assets, and by any differences between actual expenses incurred and those included in my estimate.

10.6.18 As detailed above, I am not seeking a decision from the creditors on whether or not to approve these proposals as the Company's financial position means there are insufficient assets to pay a dividend to non-preferential unsecured creditors and the purpose of the Administration of the Company is to achieve objective c), that is to realise property in order to make a distribution to one or more secured or preferential creditors of the Company. As a result, it will be for the chargeholder and preferential creditors to approve my remuneration and category 2 expenses.

## 11. PRE-APPOINTMENT REMUNERATION AND EXPENSES

11.1 The Board of Directors instructed me to assist them in placing the Company in Administration on 13 July 2022. They agreed that I should be paid my pre-administration costs as a fixed fee of £17,500.

11.2 The work undertaken in the pre-appointment period includes telephone calls and a zoom meeting with the director, in addition to communicating with Bermans, PDS and the purchasers. These telephone calls and meetings, held in the period leading up to the appointment of the Administrator, were essential in gathering information to understand the Company's financial position. Additional time was also spent on the following:-

- Reviewing the agent's asset valuations and marketing strategy;
- Reviewing the offer, discussing the offer with agents and negotiating the proposed sale;
- Negotiating the terms of the sale contract; and
- Reviewing the sale contract

11.3 I also assisted the director to take the appropriate steps to place the Company into Administration. This task, together with some of the other tasks are required by statute or regulatory guidance, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

11.4 In addition to the work I undertook as detailed above, expenses totalling £10,256 were incurred as detailed in the table below.

Description	Incurred Pre-Appointment (£)	Amount Still to be Paid (£)
Legal Fees (Bermans)	8,825	8,825
Legal Disbursements (Bermans)	80	80
Agents' fees (PDS)	1,330	1,330
Agents' disbursements (PDS)	291	291

11.6 Bermans costs relate to receiving instructions, drafting board minutes and the NOI, arranging for swearing, filing and serving NOI, drafting the NOA, Sale Agreement and Deed of Release, reviewing and advising on finance agreements, negotiating and agreeing terms of sale, filing the NOA & completing sale. The disbursements relate to the court fee, oath fees & search for prior petitions.

11.7 PDS prepared the RICS valuation report and was instructed to market the availability of the offering to the marketplace. The costs incurred relate to providing a detailed inventory, Certificate of Value and Report offering advice and recommendations regarding disposal of assets. They also assisted with the SIP16 advice and liaised with interested parties and ultimately the purchaser.

11.8 As I have already indicated, I am not seeking a decision from the creditors approving my proposals. As a result, it will be for the secured and preferential creditors to approve the pre-administration costs which will include my pre-appointment remuneration of £17,500 and the expenses incurred totalling £10,256 as detailed above.

## **12. ADMINISTRATOR'S INVESTIGATIONS**

12.1 I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf.

12.2 I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

12.3 As part of my standard investigation I obtain the books and records, liaise with the relevant third parties, such as the bank, accountants, solicitors, etc. and review and identify any transactions or actions that I, as Administrator, may take against a third party in order to recover funds for the benefit of creditors.

## **13. EU REGULATION ON INSOLVENCY PROCEEDINGS**

13.1 I consider that these are "COMI proceedings" since the Company's registered office and its trading address are in the United Kingdom, such that its centre of main interest is in the United Kingdom.

## **14. ADMINISTRATOR'S PROPOSALS**

In order to achieve the objective set out at section 3 above, I formally propose to creditors that:

(a) I continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that I:

(i) Continue to pursue outstanding assets, comprising debtors;

(ii) sell the Company's assets at such time(s) on such terms as I consider appropriate;

(iii) 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 which supplies or has supplied goods or services to the Company; and

(iv) do all such things and generally exercise all my powers as Administrator as I consider desirable or expedient at my 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 proposals

(b) the Administration of the Company will end by filing notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three months after the notice is registered. Alternatively, the Administration of the Company will end by making an application to Court for an order that the Administration ceases.

## **15. APPROVAL OF PROPOSALS**

15.1 Since the purpose of the Administration is to achieve objective c, that is to realise property in order to make a distribution to one or more secured or preferential creditor of the Company, I am prohibited by the insolvency legislation from seeking a decision from the creditors to consider these proposals.

15.2 However, a creditor, or creditors, whose debts amount to at least 10% of the total debts of the Company can require me to hold a decision procedure to enable creditors to consider whether or not to approve these proposals and/or to consider such other decision as they see fit. Such a request must be received by me within 8 business days from the date these proposals are delivered to the creditors. If creditors do not require me hold a decision procedure within that time period, then these proposals will be deemed to have been approved.

15.3 Creditors should note that I need not initiate the decision procedure unless the creditor, or creditors, requisitioning the decision procedure provides me with such amount that I request from them to meet the expenses of the requisitioned decision procedure.

## **16. FURTHER INFORMATION**

16.1 To comply with the Provision of Services Regulations, some general information about MBP, including about our complaints policy and Professional Indemnity Insurance, can be found in the attached summary sheet at Appendix 4.

16.2 If creditors have any queries regarding these proposals or the conduct of the Administration in general, or if they want hard copies of any of the documents made available on-line, they should contact Natasha Baldwin on 0161 927 7788, or by email at [natashab@milnerboardman.co.uk](mailto:natashab@milnerboardman.co.uk).



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Yours faithfully  
For and on behalf of  
Elite Contract Lifting and Plant Movement Ltd

  
**Darren Brookes**  
**ADMINISTRATOR**

The Administrator acts as an agent of the Company and contracts without personal liability.



MILNER BOARDMAN  
& PARTNERS  
*Corporate Recovery*

**Elite Contract Lifting and plant Movement Limited - In Administration**

**In the High Court of Justice, Business & Property Courts in Manchester Number: 000586 of 2022**

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## **APPENDIX 1**

### **ESTIMATE OF THE COMPANY'S FINANCIAL POSITION & ESTIMATED OUTCOME STATEMENT**



Insolvency Act 1986

Elite Contract Lifting And Plant Movement Ltd  
Company Registered Number: 09809091

Estimated Statement Of Affairs as at 1 August 2022

	Book Value £	Estimated to Realise £	£
<b>ASSETS</b>			
Goodwill	30,000.00	2.00	
Business Intellectual Property Rights		1.00	
Due to Chargeholder (HSBC)		(95,000.00)	
Deficiency c/d		(94,997.00)	
HP Asset (Low Loader Trailer)	22,500.00	26,656.45	
HP Finance (Simply Asset Finance)		(26,656.45)	
		NIL	NIL
HP Asset (Forklift Truck & Tractor Unit)	220,000.00	207,500.00	
HP Finance (HSBC Equipment Finance)		(122,695.20)	
		84,804.80	84,804.80
Unencumbered Lifting & Related Equipment			10,000.00
Book Debts	80,112.00		80,112.00
Business Information			1.00
Sellers Records			1.00
			174,918.80
<b>LIABILITIES</b>			
<b>PREFERENTIAL CREDITORS:-</b>			
			NIL
			174,918.80
<b>2nd PREFERENTIAL CREDITORS:-</b>			
HMRC (VAT & PAYE)		230,781.00	
			230,781.00
			(55,862.20)
<b>DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003</b>			
<b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>			
			NIL
			(55,862.20)
<b>Estimated prescribed part of net property where applicable (to carry forward)</b>			
			NIL
			(55,862.20)
<b>DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003</b>			
Deficiency b/d		94,997.00	
			94,997.00
			(150,859.20)
<b>Estimated prescribed part of net property where applicable (brought down)</b>			
			NIL
			NIL
<b>Shortfall to preferential creditors/F.C's pre 15 September 2003 (brought down)</b>			55,862.20

Insolvency Act 1986

Elite Contract Lifting And Plant Movement Ltd  
Company Registered Number: 09809091

Estimated Statement Of Affairs as at 1 August 2022

	Book Value £	Estimated to Realise £	£
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense		47,464.00	
Insurance Finance Agreements		15,414.00	
Former Directors		1.00	
Lex Autolease		1.00	
			<u>62,880.00</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			(118,742.20)
Shortfall in respect of F.C's post 14 September 2003 (brought down)			<u>94,997.00</u> (213,739.20)
Issued and called up capital Ordinary Shareholders		30.00	
			<u>30.00</u>
<b>TOTAL SURPLUS/(DEFICIENCY)</b>			<u><u>(213,769.20)</u></u>

**Milner Boardman & Partners**  
**Elite Contract Lifting And Plant Movement Ltd**  
**Company Registered Number: 09809091**  
**B - Company Creditors**

Key	Name	Address	£
CA00	Credit Protection Association plc	350 King Street, London, W6 0RX	1,536.00
CC00	Clear Insurance Management Ltd	1 Great Tower Street, London, EC3R 5AA	15,414.13
CC01	City Lifting Ltd	Purfleet Industrial Park, 9 Juliette Way, Purfleet, RM15 4YA	20,430.00
CC02	City 1st Ltd	10 Perth Trading Estate, Perth Avenue, Slough, SL1 4XX	556.20
CD00	Delden Cranes Ltd	111 Station Road, Selston, Pinxton, Nottingham, NG16 6FF	6,937.05
CH00	HM Revenue & Customs (VAT)	Alexander House, 21 Victoria Avenue, Southend-on-Sea, SS99 1BD, HM Revenue & Customs, Enforcement and Insolvency Service, Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	58,056.49
CH01	HM Revenue & Customs (PAYE)	PAYE and Self Assessments, BX9 1AB	172,724.96
CH02	HSBC Bank UK plc	HSBC Bank PLC, Customer Credit Services, PO Box 6277, Coventry, CV3 9JS Security Given: Fixed & Floating Charge; Date Given: 15/11/2018	95,000.00
CH03	HSBC Equipment Finance (UK) Ltd	1 Centenary Square, Birmingham. B1 1HQ Security Given: HP Agreement;	4,884.93
CH04	HSBC Equipment Finance (UK) Ltd	1 Centenary Square, Birmingham, B1 1HQ Security Given: HP Agreement;	117,810.27
CH05	Heathrow Airport Ltd	The Compass Centre, Nelson Road, Hounslow, Middlesex, TW6 2GW	10,110.51
CJ00	John Hudson Trailers Ltd	Doncaster Road, Bawtry, DN10 6NX	1,764.00
CJ01	John Taylor Crane Services Ltd	Berrys Yard, Caxton Road, Great Gransden, Sandy, SG19 3BH	2,040.00
CK00	KCS Crane and Transport Services	Bassett House, 5 Southwell Park Road, Camberley, Surrey, GU15 3PU	1.00
CL00	Lex Autolease	Blake House, Hatchford Way, Birmingham, B26 3RZ	1.00
CN01	Novo Custom Ltd	Mixing Floor, Felcourt Farm Business Park, East Grinstead, RH19 2LQ	1,015.62
CP00	Pallet Truck Services (Sussex) Ltd	Kingsmead Farm, Marringdean Road, Billingshurst, RH14 9HE	1,321.20
CR00	RMT Tyres	Unit 3 Berrite Works, Iron Bridge Rd, West Drayton, UB7 8H	1.00
CR01	RGF Training Ltd	11 yeovil Chase, Westcliff-on-Sea, Southend-on-Sea, SS0 0EG	252.00
CR02	The Road Haulage Association Limited	Roadway House, Bretton Way, Bretton, Peterborough, Cambridgeshire, PE3 8DD	62.40
CS00	Simply Asset Finance	5th Floor, Harling House, 47-51 Great Suffolk Street, Southwark, London, SE1 0BS Security Given: HP Agreement;	26,656.45
CS01	Sopra Steria Limited FORS	Three Cherry Trees Lane, Hemel Hempstead, HP2 7AH	720.00
CT00	The Fuel Store Limited	Bank House, 8 Cherry Street, Birmingham, B2 5AL	715.67

Milner Boardman & Partners  
Elite Contract Lifting And Plant Movement Ltd  
Company Registered Number: 09809091  
B - Company Creditors

Key	Name	Address	£
23 Entries Totalling			538,010.88

Elite Contract Lifting And Plant Movement Ltd  
Estimated Outcome Statement as at 8 August 2022

	Receipts & Payments to date	Estimated Future Receipts & Payments	Estimated Total Receipts & Payments
<b>ASSETS</b>			
<u>Assets subject to fixed charge</u>			
Goodwill	2	0	2
IPR	1	0	1
Tractor Unit & Fork Lift	207,500	0	207,500
Less: HSBC Equipment Finance (UK) Ltd	(122,695)	0	(122,695)
Equity	84,805	0	84,805
Trailer	26,656	0	26,656
Less: Simple Finance Co Ltd	(26,656)	0	(26,656)
Equity	0	0	0
<u>Assets subject to floating charge</u>			
Unencumbered Lifting & Related Equipment	10,000	0	10,000
Sellers Records	1	0	1
Business Information	1	0	1
Debtors	0	80,112	80,112
<b>Total</b>	<b>94,805</b>	<b>80,112</b>	<b>174,922</b>
<b>ESTIMATED COSTS:</b>			
<u>Pre Appointment</u>			
Wages & salaries deducted direct from sale consideration	(15,222)	0	(15,222)
Pre Appointment Office Holder Fees	0	(17,500)	(17,500)
Agents/Valuers Fees (PDS)	0	(1,330)	(1,330)
Agents/Valuers Disbursements (PDS)	0	(291)	(291)
Legal Fees (Bermans)	0	(8,825)	(8,825)
Legal Disbursements (Bermans)	0	(80)	(80)
<u>Post Appointment</u>			
Post Appointment Office Holder Fees	0	(51,238)	(51,238)
Bordereau	0	(420)	(420)
Statutory Advertising	0	(97)	(97)
Land Registry Fee	0	(22)	(22)
Agents/Valuers Fees (PDS)	0	(9,481)	(9,481)
Legal Fees (Bermans)	0	(2,050)	(2,050)
Legal Disbursements (Bermans)	0	(60)	(60)
Insurance of assets	0	(250)	(250)
Bank charges	0	(25)	(25)
<b>Total</b>	<b>(15,222)</b>	<b>(91,669)</b>	<b>(106,891)</b>
<b>ESTIMATED TOTAL ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS</b>	<b>68,031</b>		
<b>PREFERENTIAL CREDITORS</b>			
Wage Arrears and Holiday Pay	0		
	<b>68,031</b>		
<b>SECONDARY PREFERENTIAL CREDITORS</b>			
HMRC	(230,781)		
<b>ESTIMATED TOTAL ASSETS AVAILABLE FOR THE SECURED CREDITOR</b>	<b>(162,750)</b>		
<b>SECURED CREDITOR</b>			
HSBC Bank	(95,000)		
<b>ESTIMATED SURPLUS AVAILABLE TO UNSECURED CREDITORS</b>	<b>(257,750)</b>		
<b>UNSECURED CREDITORS</b>			
Trade Creditors	-47,464		
Lex Autolease	-1		
Insurance Finance	-15,414		
Former directors	-2		
	<b>(62,881)</b>		
<b>ESTIMATED DEFICIENCY AS REGARDS CREDITORS</b>	<b>(320,631)</b>		
Issued and Called Up Capital	20,000		
<b>ESTIMATED DEFICIENCY AS REGARDS MEMBERS</b>	<b>(340,631)</b>		
Estimated dividend to secured creditor - HSBC Bank	0		
Estimated dividend to preferential creditors	29p		
Estimated dividend to unsecured creditors	0		



MILNER BOARDMAN  
& PARTNERS  
*Corporate Recovery*

**Elite Contract Lifting and plant Movement Limited - In Administration**

**In the High Court of Justice, Business & Property Courts in Manchester Number: 000586 of 2022**

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## **APPENDIX 2**

### **RECEIPTS AND PAYMENTS ACCOUNT**

**Elite Contract Lifting And Plant Movement Ltd**  
**(In Administration)**  
**Administrator's Summary of Receipts and Payments**  
**To 08 August 2022**

<b>RECEIPTS</b>	<b>Statement of Affairs (£)</b>	<b>Total (£)</b>
Goodwill	2.00	2.00
Business Intellectual Property Rights	1.00	1.00
HP Asset (Low Loader Trailer)	26,656.45	26,656.45
HP Asset (Forklift Truck & Tractor Unit)	207,500.00	207,500.00
Unencumbered Lifting & Related Equipment	10,000.00	10,000.00
Book Debts	80,112.00	0.00
Business Information	1.00	1.00
Sellers Records	1.00	1.00
		<hr/>
		244,161.45
		<hr/>
<b>PAYMENTS</b>		
Due to Chargeholder (HSBC)	(95,000.00)	0.00
HP Finance (Simply Asset Finance)	(26,656.45)	26,656.45
HP Finance (HSBC Equipment Finance)	(122,695.20)	122,695.20
Wages		15,222.16
HMRC (VAT & PAYE)	(230,781.00)	0.00
Trade & Expense	(47,464.00)	0.00
Insurance Finance Agreements	(15,414.00)	0.00
Former Directors	(1.00)	0.00
Lex Autolease	(1.00)	0.00
Ordinary Shareholders	(30.00)	0.00
		<hr/>
		164,573.81
		<hr/>
Net Receipts/(Payments)		79,587.64
		<hr/>

**MADE UP AS FOLLOWS**

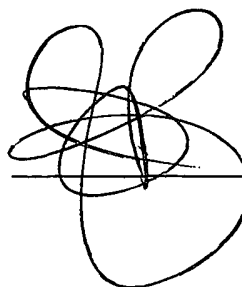
Current Account

79,587.64

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79,587.64

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Darren Brookes  
Administrator



MILNER BOARDMAN  
& PARTNERS  
*Corporate Recovery*

**Elite Contract Lifting and plant Movement Limited - In Administration**  
**In the High Court of Justice, Business & Property Courts in Manchester Number: 000586 of 2022**

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### **APPENDIX 3**

#### **BREAKDOWN OF WORK TO BE UNDERTAKEN IN THE ADMINISTRATION**



## **Breakdown of Work to be Undertaken in the Administration**

**Work for which the Administrator is seeking to be remunerated on a fixed fee basis:**

### Administration

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical/electronic case files (as applicable).
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other requirements on appointment as office holder, including gazetting the office holder's appointment (as applicable).
- Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
- Preparing, reviewing and issuing proposals to the creditors and members.
- Filing the proposals at Companies House.
- Seeking approval of the remuneration
- Issuing proposals to the creditors, Companies House and the Court.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holders' estate bank account.
- Creating, maintaining and managing the office holders' cashbook.
- Undertaking regular reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a regular basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing 6 month progress reports to creditors and members.
- Filing progress reports at Companies House.
- Sending all relevant notices in relation to the Company's pension scheme.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.
- Seeking closure clearance from HMRC and other relevant parties.
- Preparing, reviewing and issuing final reports to creditors and members.
- Filing final reports at Companies House.

### Creditors:

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Issuing a notice of intended dividend to preferential creditors.
- Reviewing proofs of debt received from preferential creditors (HMRC), adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from preferential creditors in support of their proofs of debt in order to adjudicate on their claims.

### Investigations:

- Recovering the books and records for the case.
- Listing the books and records recovered.

- Submitting an online return on the conduct of the directors as required by the Company Directors Disqualification Act.
- Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.
- Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors

**Work for which the Administrator is seeking to be remunerated on a percentage basis:**

**Realisation of assets:**

- Arranging suitable insurance over assets.
- Regularly monitoring the suitability and appropriateness of the insurance cover in place.
- Corresponding with debtors and attempting to collect outstanding book debts.
- Instructing solicitors or debt recovery agents to assist in the realisation of assets, where necessary.



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#### **APPENDIX 4**

#### **PRACTICE FEE RECOVERY POLICY & PROVISION OF SERVICE REGULATIONS SUMMARY SHEET**

## **PRACTICE FEE RECOVERY POLICY FOR MILNER BOARDMAN & PARTNERS**

### **Introduction**

This sheet explains the alternative fee bases allowed by the insolvency legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

Further 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 are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at [www.milnerboardman.com](http://www.milnerboardman.com). Alternatively, a hard copy may be requested directly from Milner Boardman & Partners. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Case Administration (including statutory reporting).
- Realisation of Assets.
- Investigations.
- Creditors (claims and distributions).
- Trading
- Case specific matters.

### **Time cost basis**

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

### Charge out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 June 2017 £	Previous charge-out rate per hour, effective from 1 April 2015 £	Previous charge-out rate per hour, effective from 1 November 2008 £
Director	370	370	295 to 370
Appointment Taker	295	N/A	N/A
Senior Manager	255	255	N/A
Manager	215	215	215
Case Administrator	175	175	175
Support Staff	175	175	175

These charge-out rates charged are reviewed each year and may be adjusted to take account of inflation and the firm's overheads.

When we seek time costs approval, we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

### Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential

assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

#### **Fixed fee**

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

#### **Direct Costs**

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The following are direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work where the office holder is to be remunerated for such work on either a percentage or fixed fee basis:

- Case Administration (including statutory reporting) – staff costs, costs of case management system and time recording system.
- Realisation of Assets - staff costs, costs of case management system and time recording system.
- Investigations - staff costs, costs of case management system and time recording system.
- Creditors (claims and distributions) - staff costs, costs of case management system and time recording system.
- Trading - staff costs, costs of case management system, costs of accounting software and time recording system.

#### **Mixed basis**

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

#### **Members' Voluntary Liquidations and Voluntary Arrangements**

The legislation is different for Members' Voluntary Liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

#### **All fee bases**

With the exception of IVAs and CVAs, which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

#### **Expenses**

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent 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).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is only hired for that meeting), external storage, postage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

The practice intends to seek approval to recover the following Category 2 expenses that include an element of shared costs:

Mileage	0.45p per mile (In accordance with HM Revenue & Customs approved rates)
Photocopying	10p per sheet (Circulars to creditors only)
Room Hire	£30 per hour

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists\*;
- Employment Claims specialists\*; and
- GDPR/Cyber Security specialists.

\*Note: where such professional advisors are instructed on a case, the office holder will not charge any remuneration to the case in respect of such work, other than in respect of supervising and monitoring their work.

### **Reporting and rights to challenge**

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, an unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor



in question) request further details of the office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

## **PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR MILNER BOARDMAN & PARTNERS**

The following information is designed to draw the attention of interested parties to the information required to be disclosed by the Provision of Services Regulations 2009.

### **Licensing Body**

Darren Brookes and Natasha Baldwin are licensed to act as Insolvency Practitioners in the United Kingdom by the Insolvency Practitioners Association ("IPA").

Darren Brookes and Natasha Baldwin are members of the IPA.

Milner Boardman & Partners is also a member of the IPA.

### **Rules Governing Actions**

All IPs are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences Darren Brookes and Natasha Baldwin of Milner Boardman & Partners ("MBP") can be found at <https://insolvency-practitioners.org.uk/about/ipa-articles-of-association-and-regulation-rules/>. In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at <https://www.r3.org.uk/technical-library/england-wales/sips/>

### **Ethics**

All IPs are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at <https://insolvency-practitioners.org.uk/wp-content/uploads/2020/08/IPA-Code-of-Ethics.pdf>

### **Complaints**

At MBP we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of a particular case then in the first instance you should contact the IP acting as office holder.

Please note that within MBP there are two Licensed Insolvency Practitioners: Darren Brookes and Natasha Baldwin.

If you consider that the IP has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to our complaints officer Darren Brookes. However, if your complaint is regarding Darren Brookes then please contact Natasha Baldwin.

We will lodge your complaint and open a file, this will be done immediately. We will then investigate your complaint and report to you as soon as possible, usually within five business days.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can

make a submission using an on-line form available at [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner); or you can email [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk); or you may phone 0300 678 0015. Information on the call charges that apply is available at <https://www.gov.uk/call-charges>.

## **Bribery Act 2010**

MBP is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on MBP's behalf is responsible for maintaining our reputation and for conducting company business honestly and professionally.

MBP take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

MBP requires all those who are associated with it to observe the highest standards of impartiality, integrity and objectivity.

MBP prohibits anyone acting on its behalf from:

- bribing another person. A bribe includes the offering, promising or giving of any financial or other type of advantage;
- accepting a bribe. This includes requesting, agreeing to receive or accepting any financial, or another kind of advantage;
- bribing a foreign public official; and
- condoning the offering or acceptance of bribes.

MBP will:

- avoid doing business with others who do not accept our values and who may harm our reputation;
- maintain processes, procedures and records that limit the risk of direct or indirect bribery;
- promote awareness of this policy amongst its staff, those acting on its behalf and entities with which it has any commercial dealings;
- investigate all instances of alleged bribery, and will assist the police, and other authorities when appropriate, in any resultant prosecutions. In addition, disciplinary action will be considered against individual members of staff;
- review this policy regularly and update it when necessary.

## **Professional Indemnity Insurance**

Milner Boardman & Partners' Professional Indemnity Insurance is provided by Travelers Insurance Company Limited 61-63 London Road Redhill Surrey RH1 1NA.

## **VAT**

Milner Boardman & Partners is registered for VAT under registration no 693 3180 22.



MILNER BOARDMAN  
& PARTNERS  
*Corporate Recovery*

**Elite Contract Lifting and plant Movement Limited - In Administration**  
**In the High Court of Justice, Business & Property Courts in Manchester Number: 000586 of 2022**

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**APPENDIX 5**  
**PROOF OF DEBT FORM**

**Rule 14.4 The Insolvency (England and Wales) Rules 2016**

**Proof of Debt – General Form**

**IN THE**

**IN THE HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS IN  
MANCHESTER, INSOLVENCY AND COMPANIES (CHD)**

**Number:**

**CR-2022-MAN-000586**

**Name of Company in Administration:**

**Elite Contract Lifting And Plant Movement Ltd**

**Company Registration Number:**

**09809091**

**Date of Administration:**

**1 August 2022**

**1 Name of creditor**

(If a company, please also provide the company  
registration number).

**2 Correspondence address of creditor (including  
any email address)**

**3 Total amount of claim (£)  
(include any Value Added Tax)**

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

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

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

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

**8 Details of any document by reference to which  
the debt can be substantiated**

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

10 Address of person signing if different from 2  
above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

13 Date of signature

Admitted to vote for

Amount (£)

Date

Admitted for dividend for

Amount (£)

Date

Darren Brookes  
Administrator

Darren Brookes  
Administrator

**Notes:**

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



MILNER BOARDMAN  
& PARTNERS  
*Corporate Recovery*

**Elite Contract Lifting and plant Movement Limited - In Administration**  
**In the High Court of Justice, Business & Property Courts in Manchester Number: 000586 of 2022**

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## **APPENDIX 6**

### **INFORMATION TO CREDITORS ON OPTING OUT**

**Information to creditors on opting out**

**Elite Contract Lifting and Plant Movement Ltd ("the Company") – In Administration  
In the High Court of Justice, Business & Property Courts in Manchester, Insolvency and Companies:  
CR-2022-MAN-000586**

**Registered Number: 09809091**

Notice is given by Darren Brookes to the creditors of Elite Contract Lifting and Plant Movement Ltd that creditors have the right to elect to opt out of receiving further communication about the insolvency procedure under Rule 1.39 of The Insolvency (England and Wales) Rules 2016.

Any creditor may elect to become an opted-out creditor at any time, by delivering a dated notice of the request, in writing to me.

A creditor becomes an opted-out creditor when the notice is delivered to me.

Any creditor who elects to opt-out remains as such for the duration of the proceedings unless the opt out is revoked by a further notice in writing, dated and delivered to me.

A creditor ceases to be an opted-out creditor when the notice is received by me.

The opt out will not apply to the following:

- (i) a notice which the Insolvency Act 1986 requires to be delivered to all creditors without expressly excluding opted-out creditors;
- (ii) a notice of a change in the office-holder or a notice of a change in my contact details, or
- (iii) a notice of a dividend or proposed dividend or a notice which the court orders to be sent to all creditors or all creditors of a particular category to which the creditor belongs;

Opting-out will not affect a creditor's entitlement to receive dividends should any be paid to creditors

Opting-out will not affect creditors' rights to vote in a decision procedure or a participate in a deemed consent procedure, although any creditor who opts-out will not receive notice of it.

Any creditor who opts out will be treated as having opted out in respect of consecutive insolvency proceedings of a different kind in respect of the same company.

Creditors requiring further information regarding the above, should either contact me at Milner Boardman & Partners, The Old Bank, 187a Ashley Road, Hale, WA15 9SQ or contact Natasha Baldwin by telephone on 0161 927 7788, or by email at [office@milnerboardman.co.uk](mailto:office@milnerboardman.co.uk)

Signed \_\_\_\_\_  
Darren Brookes, Administrator

Dated 8/8/2022



**Notice to office holder to opt out of further correspondence**

Name of creditor:

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I, the above named, give notice that I elect to become an opted-out creditor and no longer wish to receive communications relating to the insolvency proceedings of Elite Contract Lifting and Plant Movement Ltd

Signature of creditor:

Date:



MINER BOARDMAN  
& PARTNERS  
*Corporate Recovery*

**Elite Contract Lifting and plant Movement Limited - In Administration**  
**In the High Court of Justice, Business & Property Courts in Manchester Number: 000586 of 2022**

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**APPENDIX 7**  
**DISCLAIMER NOTICE**

## **DISCLAIMER NOTICE**

This Statement of Proposals ("Proposal" or "Proposals") has been prepared by Darren Brookes, the Administrator of Elite Contract Lifting and Plant Movement Ltd, solely to comply with his statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) to lay before creditors a statement of his Proposals for achieving the purposes of the Administration, 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 person that chooses to rely on this Proposal for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) does so at their own risk. To the fullest extent permitted by law, the Administrator does not assume any responsibility and will not accept any liability in respect of this Proposal.

The Administrator acts as an agent for Elite Contract Lifting and Plant Movement Ltd and contracts without personal liability.

Darren Brookes is licensed in the UK by the Insolvency Practitioners Association to act as an Insolvency Practitioner.