

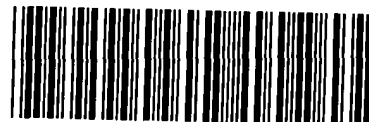
AM03

Notice of administrator's proposals



Companies House

WEDNESDAY



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11/11/2020

#133

COMPANIES HOUSE

1 Company details

Company number 0 9 8 1 2 0 8 9

Company name in full A&C UK Group Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Adam

Surname Price

3 Administrator's address

Building name/number Craftwork Studios

Street 1-3 Dufferin Street

Post town London

County/Region

Postcode E C 1 Y 8 N A

Country

4 Administrator's name

Full forename(s) Lane

Surname Bednash

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address

Building name/number Craftwork Studios

Street 1-3 Dufferin Street

Post town London

County/Region

Postcode E C 1 Y 8 N A


Country

② Other administrator

Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7	Sign and date	
Administrator's Signature	<div>Signature</div> <div>✕ </div> <div>✕</div>	
Signature date	<div>^d0^d6</div> <div>^m1^m1</div> <div>^y2^y0^y2^y0</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	Adam Price
Company name	CMB Partners UK Limited
Address	Craftwork Studios 1-3 Dufferin Street
Post town	London
County/Region	
Postcode	E C 1 Y 8 N A
Country	
DX	
Telephone	020 7377 4370

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Joint Administrators' Report and Statement of Proposals Pursuant to Paragraph 49 of Schedule B1

A&C UK Group Ltd -
In Administration

A&C UK GROUP LTD - IN ADMINISTRATION

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- D Additional Information in Relation to the Joint Administrators' Fees
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A&C UK GROUP LTD - IN ADMINISTRATION

1 Introduction and Background

- 1.1 A&C UK Group Ltd ("the Company") was incorporated on 6 October 2015 by Adrian Chira ("AC") with Peter Neil Dimmick ("PD") being appointed on 28 September 2019. The Company was initially incorporated under the name Adrian C Plumbing Ltd and then changed to A&C Plumbing Ltd on 9 October 2015. Following this, another name change took place on 15 February 2018 where the Company was re named A&C Mechanical & Electrical Ltd. The final name change occurred on 5 March 2019 where the Company was named A&C UK Group Ltd and this remains the same at the date of Administration.
- 1.2 The Company operates from the freehold premises at Unit 10, North Street Industrial Estate, Droitwich, WR9 8JB. The registered office for the Company was A3, Livingstone Court A3, Livingstone Court, 55 Peel Road, Harrow, HA3 7QT.
- 1.3 The primary trading activity of the Company was plumbing, heat and air-conditioning installation. The Company had a particular focus towards providing these services to the hospitality/leisure sectors.
- 1.4 A summary of the Company's recent financial performance is set out below:

Balance Sheet	As at 4 August 2020 (Draft) £	As at 31 October 2019 (Draft) £
TANGIBLE ASSETS		
Freehold Property	307,167	-
Office Equipment	7,743	7,177
Furniture and Fixtures	2,125	2,125
Motor Vehicles	110,383	110,383
	<u>427,418</u>	<u>119,685</u>
CURRENT ASSETS		
Cash at Bank and in Hand	8,238	172,843
Debtors	191,368	135,681
Loan Account	419,587	432,086
HMRC Grant	(121,713)	-
Other Debtors	-	10,500
	<u>497,480</u>	<u>751,110</u>
Trade Creditors (<1 year)	(1,097,493)	(511,607)
Net Current Assets/(Liabilities)	<u>(600,013)</u>	<u>239,503</u>
Total Assets Less Current Liabilities	(172,595)	359,188
Creditors (>1 year)	-	-
Net Assets/(Liabilities)	<u>(172,595)</u>	<u>359,188</u>
CAPITAL AND RESERVES		
Called Up Share Capital	200	200
Retained Earnings	359,188	301,593
Dividend	-	(93,000)
Profit and Loss Account	(531,784)	150,395
Shareholder's Funds	<u>(172,596)</u>	<u>359,188</u>

A&C UK GROUP LTD - IN ADMINISTRATION

Profit and Loss Account	Period Ending 4 August 2020 (Draft) £	Y/E October 2019 (Draft) £
Turnover	1,834,759	2,406,968
Cost of Sales	<u>(1,976,699)</u>	<u>1,858,864</u>
Gross Profit/(Loss)	(141,940)	548,104
Administrative Expenses	(389,844)	(397,709)
OPERATING PROFIT/(LOSS)	<u>(531,784)</u>	<u>150,395</u>
PROFIT/(LOSS) BEFORE TAX	(531,784)	150,395
Taxation	-	-
Net Profit/(Loss) After Tax	(531,784)	150,395
Profit & Loss Account b/f	359,188	301,593
Dividends	-	(93,000)
Profit & Loss Account c/f	<u>(172,396)</u>	<u>358,989</u>

- 1.5 The Company reported a profit for the year-end October 2019, but then in the following period, there was a substantial loss reported.
- 1.6 The Company's profits were significantly negatively affected by the on-set of the coronavirus pandemic from March 2020 onwards. The Company began to experience difficulty in receiving a regular revenue stream due to their main client base (being predominantly in the hospitality/leisure sector) effectively ceasing to trade for a significant period of time and thus ceasing all maintenance/building works. AC and PD attempted to source new streams of work during this period but this was not unfortunately successful.
- 1.7 As a result of this challenging trading environment, the Company had begun to accrue liabilities to general trade creditors and HM Revenue and Customs, which AC and PD attempted to manage whilst awaiting the end of the coronavirus pandemic lockdown.
- 1.8 Following the ongoing coronavirus pandemic, the Government started a Furlough Scheme for all companies to help pay their employees' salaries. This meant the Government contributing 80% of the salaries of employees with the remaining 20% being provided by the Company if they so wish to do so. The Directors decided to utilise this scheme and place all staff on furlough at the end of March 2020. This greatly reduced the operating costs the Company incurred but this was not enough to help recover the Company's solvency.
- 1.9 The Directors having regard to the substantial trading loss over the last year decided to seek advice on the steps that could be taken to resolve the Company's current financial situation. There was no prospect of the Company regaining solvency, meaning the next step would only be insolvency proceedings.
- 1.10 As a result, Adam Price and Lane Bednash of CMB Partners UK Limited, Craftwork Studios, 1-3 Dufferin Street, London, EC1Y 8NA were appointed Joint Administrators of the Company by the Directors (having served notice on the qualifying floating chargeholder) on 15 September 2020. Adam Price and Lane Bednash are licensed to act as insolvency practitioners in the UK by the ICAEW. The Joint Administrators' be authorised to act jointly and severally in the Administration.
- 1.11 This firm's Privacy Notice about the way that we will use, and store personal data can be found at www.cmbukltd.co.uk/downloads. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.12 The EU Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom. This means that the administration will be conducted according to English insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

- 1.13 This report incorporates the Joint Administrators' statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 10 November 2020.

2 Administration Strategy and Objective

- 2.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:

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

- 2.2 It has not been possible to pursue the first objective due to the substantial trading losses and the reduced client base/contracts available to the Company due to the coronavirus pandemic.

- 2.1 The Administrators' functions are being carried out with the objective of achieving a better realisation for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in liquidation). The Administrators believe this will result in realisations being available to the secured, preferential and unsecured creditors of the Company which also fulfils a purpose of the Administration under Paragraph 3 of Schedule B1 of the Insolvency Act 1986.

Consideration of Proposals by Creditors

- 2.1 Under Para 52(1) of Schedule B1 to the Insolvency Act 1986, where an Administrator thinks that:

- (a) The Company has sufficient property to enable each creditor of the Company to be paid in full,
- (a) The Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part, or
- (b) The Company cannot be rescued as a going concern, or a better result as a whole than would be likely if the Company were wound up (without first being in Administration) cannot be achieved

Then the Administrator is not required to seek a decision from the Company's creditors as to whether they approve these Proposals.

- 2.2 In this case, I do not think any of the above provisions apply and I am therefore required to seek approval from creditors to my Proposals.

Progress Since Appointment

Administration (including statutory compliance and reporting)

- 2.3 Following my appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work will, where appropriate, have included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency (such as assessing the validity of any 3rd party security in relation to the assets) and liaising with valuation agents about the most appropriate means of realising the value in the Company's business and assets.
- 2.4 I have also dealt with a number of statutory formalities which are required of me under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and also advertising my appointment in the London Gazette.
- 2.5 Other statutory duties performed are outlined in further detail in the [fees estimate/fees information] which can be found at Appendix E. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.

A&C UK GROUP LTD - IN ADMINISTRATION

Trading

- 2.6 The Company has not continued to trade post administration.

Realisation of assets

Freehold property

- 2.7 The freehold property where the Company traded from has been placed on the market with the approval of Barclays Bank Plc, who holds a fixed charge over it. The freehold property is being marketed by Sanderson Weatherall LLP who are also overseeing the sale. An initial deadline for offers has been set for 12 November 2020; after which the appointed agents will further report to the Joint Administrators.
- 2.8 The agents, Sanderson Weatherall LLP, expect that a realisation of circa £300,000 can be achieved for the property which will clear the sums due to Barclays Bank Plc and provide a surplus for the benefit of the remaining creditors.

Motor vehicle - on finance

- 2.9 The Company's motor vehicle which had been acquired through hire purchase has been given back to the finance company meaning this asset is no longer in the Company's control. Valuation agents have confirmed that the Company held no equity in the vehicle.

Goodwill

- 2.10 The Company's goodwill is expected to realise £5,000 in the Administration. It is anticipated that the Goodwill of the Company will be sold to the Company's directors in short order. Any offer made will be ratified by an appointed independent agent.

Fixtures & fittings and office equipment

- 2.11 There are some remaining fixtures & fittings along with office equipment that is estimated to realise £1,500 in total. This has not been agreed yet whether the Directors will purchase this or be included with the sale of the freehold property.

Book debts/retentions

- 2.12 The Company had an outstanding book debt/retentions ledger with a book value of £191,368 as at the date of the Statement of Affairs. Specialist quantity surveyors, Leslie Keats, have been instructed to review and pursue these debts on behalf of the Joint Administrators. At present the likely realise value is uncertain due to the nature of the debts owed and the financial position of the relevant debtors. Tentatively, it has been estimated that £20,000 may be recoverable from this ledger.

Cash at bank

- 2.13 The Joint Administrators were holding £6,000 of Company funds in a client account pre-appointment; this has been transferred into the administration bank account.

Loan - The White Book Group Limited ('WBGL') - in Liquidation

- 2.14 WBGL was placed into liquidation on 3 August 2020, with Adam Price and Lane Bednash of CMB Partners UK Limited being appointed as Joint Liquidators. PD was formerly a director of WBGL, resigning in early 2019. The Joint Liquidators continue to investigate the circumstances surrounding WBGL's failure; however, at present it is not anticipated that there will be any return to creditors from that liquidation.

Loan - Droitwich

- 2.15 The Company previously lent the sum of £31,000 to a limited company operating in the manufacturing space. For the purposes of the estimated outcome statement a recovery of 20% of the sum owed is anticipated. The Joint Administrators continue to investigate the position.

Director's loan account – P Dimmick

- 2.16 The Company's records indicate that PD owes the Company the sum of £131,272 in respect of an overdraft loan account. The Joint Administrators are liaising with the Company's accountant to ascertain the precise sum due with an interim demand having been made on PD. For the purpose of the estimated outcome statement a realisation of £50,000 has been estimated (based on information received to date).
- 2.17 The work undertaken by the Joint Administrators and their staff to date in realising the Company's assets has been necessary in order to maximise the likelihood of a return to creditors being made. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in my progress reports.
- 2.18 Further information on the estimated outcome of the Administration can be found in section 9 below.

Creditors

- 2.19 The Joint Administrators work as regards creditors has been limited thus far to liaising with creditors via email and phone who have queried the position of the Company and how they can claim for the money they are owed. The details collected from creditors have been recording on our system.
- 2.20 In this instance as it is anticipated that there will be a return to unsecured creditors (which would need to be completed (in the ordinary course of business) via a Creditors' Voluntary Liquidation), work will need to be undertaken as regards the formal adjudication of creditor claims (which will be undertaken in the liquidation, as required).

Investigations

- 2.21 In accordance with the Company Directors Disqualification Act 1986, I will have to prepare and submit a report on the conduct of the directors of the Company to the Department for Business, Energy and Industrial Strategy (BEIS). As this is a confidential report, I will be unable to disclose the contents.
- 2.22 I am also in the process of making an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment takes into account information provided by creditors as a response to my request to complete an investigation questionnaire. I am unable to provide further details at this time.
- 2.23 Should any creditor have information which they believe would assist the Administrator in undertaking this work, it would be gratefully received (this request being a standard request and not implying any criticism of the Director).

Sale of Assets to Connected Parties

- 2.24 In accordance with Statement of Insolvency Practice 13, I would advise you that the Directors have registered an interest in acquiring some of the Company's assets. At this moment in time, there has been no formal offer for these assets made nor any sale completed.

3 Joint Administrators' Receipts and Payments

- 3.1 A summary of receipts and payments for the Administration period from the date of my appointment to 6 November 2020 is attached at Appendix B.

4 Financial Position

- 4.1 A Statement of the Company's Affairs has not yet been as the Directors have indicated that they do not have access to the necessary accounting information to prepare such a Statement. Attached at Appendix C is a summary of the Estimated Financial Position of the Company as at 15 September 2020, together with a list of creditors names and addresses along with details of their debts (including details of any security held by them). Creditors should note that the estimated financial position is before the costs of the Administration procedure are considered.

5 Proposals

- 5.1 It is proposed that the Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:
- 5.2 If the survival of the existing Company is not achievable or any proposals for a CVA put to creditors are not accepted, the Administrators will pursue the second objective and if appropriate take any action they consider necessary to achieve the sale of the Company as a going concern.
- 5.3 If having realised the assets of the Company, the Administrators think that a distribution will be made to the unsecured creditors from the fund created out of the Company's net floating charge property (known as the Prescribed Part) by virtue of section 176A(2)(a), this will be distributed by the Administrators in the Administration and the Company will thereafter proceed to dissolution.
- 5.4 If, however, having realised the assets of the Company the Administrators think that a distribution will be made to the unsecured creditors other than by virtue of section 176A(2)(a) as noted above, they propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Administrators to an end and will move the Company automatically into Creditors' Voluntary Liquidation (CVL) in order that the distribution can be made. In these circumstances, it is proposed that the Administrators in office at the date of conversion to CVL will become the Joint Liquidators in the CVL. The acts of the Joint Liquidators may be undertaken by either or both of them.
- 5.5 Court approval is not required to enable the Administrators to make a distribution to the unsecured creditors of the Prescribed Part. If, however, a distribution to unsecured creditors not limited to the Prescribed Part is anticipated, the Administrators may consider making an application to Court to seek permission to distribute this in the Administration. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration is concluded.
- 5.6 If the Administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- 5.7 See Section 6 below on Exit Routes for further information on the exit routes available from Administration.
- 5.8 The Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.
- 5.9 If the Administrators consider it necessary to extend the period of the Administration, they will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Administrators' term of office be extended for a specified period determined by it.
- 5.10 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrators' remuneration and disbursements and any proposed act on the part of the Administrators without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 5.11 The basis of the Joint Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:
- As a percentage of the value of the assets they have to deal with, or
 - By reference to time properly spent by the Administrators and their staff managing the Administration, or
 - As a set amount
- 5.12 In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Administrators be authorised to draw Category 2 disbursements as and when funds are

available, in accordance with their firm's published tariff. Details of Category 2 disbursements charged by the firm can be found at Appendix E.

- 5.13 Where no Creditors' Committee is appointed the remuneration and disbursements of the Administrators shall be fixed by a decision of creditors or where the Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and their discharge from liability in the same manner.

- 5.14 In this case, the Administrators are seeking to approve the basis of their remuneration as follows:

- As a set amount of £40,000.00

Further details about the proposed fee basis can be found in Section 8 below and Appendix E.

- 5.15 The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

6 Exit Routes

- 6.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrator's term of office be extended for a specified period of time.

- 6.2 At the time of drafting these Proposals I do not believe that an extension to the period of Administration will be necessary, however will confirm the position to creditors in a subsequent progress report in due course.

Based on information currently available, the information on the exit route(s) we believe may be appropriate in this Administration is/are set out below.

Creditors Voluntary Liquidation

- 6.3 Based on present information, the Administrators think a dividend will be paid to the unsecured creditors other than by virtue of the Prescribed Part. As a result, the Administrators will either make an application to Court to enable them to make a distribution to unsecured creditors in the Administration or they will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation (CVL) to facilitate this distribution. It is proposed that the Administrators in office at the date of conversion to CVL will become the Joint Liquidators of the CVL.

- 6.4 It is proposed that the Joint Liquidators will be authorised to act jointly and severally in the subsequent liquidation.

- 6.5 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Administrators prior to these proposals being approved. Where this occurs, the Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Administrators will automatically become the Joint Liquidators of the subsequent CVL.

Dissolution of the Company

- 6.6 Should realisations not be obtained as anticipated and no funds are payable to unsecured creditors or are only payable by virtue of the prescribed part provisions a notice will thereafter be filed at Court and with the Registrar of Companies with the Administrators' final report, for the dissolution of the Company.

- 6.7 The Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

7 Pre-administration Costs

7.1 Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

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

7.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable.

7.3 The pre-appointment fees charged and expenses incurred by the Administrators are as follows:

Fees or Expenses charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
CMB Partners UK Limited	Consideration of the Company's financial position / advice to the Directors / liaising with the secured creditor / appointment formalities	12,500.00	Nil	N/A	12,500.00
GSC Solicitors LLP	Appointment formalities	1,750.00	Nil	N/A	1,750.00
Frettons LLP	Virtual swearing fees	268.34	Nil	N/A	268.34

The pre-appointment fees and expenses above were charged in accordance with the terms of an engagement letter dated 15 July 2020 between the Administrators' firm and the Company, acting by way of its directors.

In this case, the above work was considered necessary to be carried out prior to the appointment of the Administrators because the sale of the freehold property was integral to realising the property of the Company in order to make a distribution to one or more secured or preferential creditors.

7.4 The payment of the unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors, separately to the approval of the Administrators' proposals. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively by a decision of the creditors where there is no Committee.

8 Joint Administrators' Remuneration

8.1 As Joint Administrators, we are required to provide creditors with details of the work we propose to undertake in the Administration and the expenses we consider will be, or is likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which my remuneration will be fixed.

8.2 In addition to this, where Administrators seek agreement to the basis of their remuneration by reference to time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.

8.3 In this case, we are not seeking to determine the basis of our remuneration as time properly spent by us and our staff in dealing with the affairs of the Company and we are therefore not, required to provide a fees estimate to creditors. Details of the basis or bases we are proposing, together with information about the work we consider will be necessary in this case and the expenses we consider will, or are likely to be, incurred on this case can be found at Appendix E. Further information on the work done since our appointment to the date of this report, can be found in section 2. Appropriate approval to the basis of our remuneration will be sought as outlined in section 5 of this report.

A&C UK GROUP LTD - IN ADMINISTRATION

- 8.4 In circumstances where my initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, we reserve the right to refer back to creditors to establish how we are to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, we will revert to creditors with our fees estimate for approval.
- 8.5 We will provide updates on the expenses we consider will be, or are likely to be, incurred during this case with our progress reports in due course.
- 8.6 Administrators may include details of the remuneration they anticipate will be charged and the expenses they anticipate will be incurred if they become the Joint Liquidators in the subsequent CVL. This can be done when seeking approval to the basis of their remuneration as Administrators, or alternatively their fees estimate for the CVL can be provided once the Company has moved into CVL. Please refer to Appendix E to this report for further information.
- 8.7 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from www.cmbukltd.co.uk/downloads. If you would prefer this to be sent to you in hard copy please contact Adam Price of this office on 020 7377 4370.

9 Estimated Outcome

- 9.1 An estimate of the outcome of the Administration as at 6 November 2020 is attached as Appendix E. This indicates an estimated dividend payable to unsecured creditors in the region of 9p/£ of their claims in the Administration.
- 9.2 Based on the Estimated Financial Position of the Company the estimated value of the preferential creditors is £8,995 and the unsecured creditors is £837,533.
- 9.3 There is a prospect of a dividend to secured, preferential and unsecured creditors following the sale of the freehold property (and disposal/recovery of the Company's other assets).
- 9.4 The Company did grant floating charge to Barclays Bank Plc on 5 December 2019; however, the debt to Barclays Bank Plc is anticipated to be discharged in full from fixed charge proceeds. Accordingly, there is no requirement for the Administrators to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the Prescribed Part), as no floating charge claims will arise in the Administration.

10 Proposals approval and next report

- 10.1 I am seeking a decision of creditors on the approval of my proposals by correspondence. The letter issued to creditors with this report (or the link to this report) contains further information about this decision process.
- 10.2 The Administrators are required to provide a progress report within one month of the end of the first six months of the Administration and we will report to you again at this time.

For and on behalf of
A&C UK Group Ltd



Adam Price
Joint Administrator

Enc

Appendix A

Statutory Information

11 Company information

Company name	A&C UK Group Ltd
Trading name(s)	None
Registered number	09812089
Registered office address	Craftwork Studios 1-3 Dufferin Street London EC1Y 8NA
Former registered office address	A3 Livingstone Court A3, Livingstone Court 55 Peel Road Harrow HA3 7QT
Trading address	Unit 10 North Street Industrial Estate Droitwich WR9 8JB
Court details	High Courts of Justice, Insolvency and Companies Court
Court reference number	003609 of 2020

12 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Directors			
Adrian Chira	6 October 2015	N/A	100 Ordinary £1 Shares (Jointly with Ioana Florentina Chira)
Peter Neil Dimmick	28 September 2019	N/A	100 Ordinary £1 Shares
Secretary			
None			
Shareholders			
Adrian & Ioana Florentina Chira (Hold shares jointly)	N/A	N/A	100 Ordinary £1 Shares
Peter Neil Dimmick	N/A	N/A	100 Ordinary £1 Shares

13 Joint Administrators' Details

Name of Administrators	Adam Price	Lane Bednash
Address	Craftwork Studios 1-3 Dufferin Street London EC1Y 8NA	Craftwork Studios 1-3 Dufferin Street London EC1Y 8NA
Telephone Number	020 7377 4370	020 7377 4370
Fax Number	020 7377 4371	020 7377 4371
Administrator's IP Number	25050	8882
Authorising Body	ICAEW	ICAEW
Date of Appointment	15 September 2020	15 September 2020

A&C UK GROUP LTD - IN ADMINISTRATION

Appendix B

Receipts and Payments Account for the Period from 15 September 2020 to 6 November 2020

A&C UK Group Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 15/09/2020 To 06/11/2020 £	From 15/09/2020 To 06/11/2020 £
	SECURED ASSETS		
300,000.00	Freehold Property -Unit 10, North Stre	NIL	NIL
5,000.00	Goodwill	NIL	NIL
		NIL	NIL
	SECURED CREDITORS		
(208,198.08)	Barclays Bank Plc	NIL	NIL
		NIL	NIL
	HIRE PURCHASE		
96,621.00	HP Asset - Motor Vehicle	NIL	NIL
(96,621.00)	Porsche Financial Services	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
20,000.00	Book Debts / Retentions	NIL	NIL
6,000.00	Cash at Bank	6,000.00	6,000.00
50,000.00	Director's Loan Account - P Dimmick	NIL	NIL
500.00	Furniture & Fittings	NIL	NIL
6,200.00	Loan - Droitwich	NIL	NIL
NIL	Loan - The White Book Group Ltd - In	NIL	NIL
1,000.00	Office Equipment	NIL	NIL
		6,000.00	6,000.00
	COST OF REALISATIONS		
	Insurance of Assets	2,422.00	2,422.00
	Other Property Expenses	1,123.32	1,123.32
		(3,545.32)	(3,545.32)
	PREFERENTIAL CREDITORS		
(5,000.00)	DE Arrears & Holiday Pay (x 6)	NIL	NIL
(3,995.00)	Pension Liabilities	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(10,000.00)	DE Red & PILON (x 6)	NIL	NIL
(161.00)	Directors	NIL	NIL
(98,073.00)	HM Revenue & Customs - PAYE/CIS	NIL	NIL
(28,555.00)	HM Revenue & Customs - VAT	NIL	NIL
(50,000.00)	HSBC Bank Plc - Bounceback Loan	NIL	NIL
(650,744.04)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(200.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(666,226.12)		2,454.68	2,454.68
	REPRESENTED BY		
	Bank 1 Current		2,230.02
	Vat Receivable		224.66
			2,454.68

A&C UK GROUP LTD - IN ADMINISTRATION

Appendix C

Summary of the Estimated Financial Position of the Company as at 15 September 2020

A&C UK Group Ltd
Statement Of Affairs as at 15 September 2020

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Freehold Property -Unit 10, North Street	307,167.00	300,000.00
Goodwill		5,000.00
Barclays Bank Plc		(208,198.08)
HP Asset - Motor Vehicle	110,383.00	96,621.00
Porsche Financial Services		(96,621.00)
		96,801.92
		96,801.92
Assets subject to floating charge:		
Office Equipment	7,743.00	1,000.00
Furniture & Fittings	2,125.00	500.00
Loan - Droitwich	31,000.00	6,200.00
Loan - The White Book Group Ltd - In Liq	254,200.00	NIL
Book Debts / Retentions	191,368.00	20,000.00
Cash at Bank	6,000.00	6,000.00
Director's Loan Account - P Dimmick	131,272.00	50,000.00
Uncharged assets:		
Estimated total assets available for preferential creditors		180,501.92

Signature _____ Date _____

A&C UK Group Ltd
Statement Of Affairs as at 15 September 2020

A1 - Summary of Liabilities

		Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)		180,501.92
Liabilities		
Preferential Creditors:-		
DE Arrears & Holiday Pay (x 6)	5,000.00	
Pension Liabilities	3,995.00	
		8,995.00
Estimated deficiency/surplus as regards preferential creditors		171,506.92
Debts secured by floating charges pre 15 September 2003		
Other Pre 15 September 2003 Floating Charge Creditors		NIL
		171,506.92
Estimated prescribed part of net property where applicable (to carry forward)		NIL
Estimated total assets available for floating charge holders		171,506.92
Debts secured by floating charges post 14 September 2003		
		NIL
Estimated deficiency/surplus of assets after floating charges		171,506.92
Estimated prescribed part of net property where applicable (brought down)		NIL
Total assets available to unsecured creditors		171,506.92
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	650,744.04	
DE Red & PILON (x 6)	10,000.00	
Directors	161.00	
HSBC Bank Plc - Bounceback Loan	50,000.00	
HM Revenue & Customs - VAT	28,555.00	
HM Revenue & Customs - PAYE/CIS	98,073.00	
		837,533.04
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(666,026.12)
Estimated deficiency/surplus as regards creditors		(666,026.12)
Issued and called up capital		
Ordinary Shareholders	200.00	
		200.00
Estimated total deficiency/surplus as regards members		(666,226.12)

Signature _____ Date _____

CMB Partners UK Limited
A&C UK Group Ltd
B - Company Creditors

Key	Name	Address	£
CA00	Arkco Accountants Ltd	A3 Livingstone Court, 55 Peel Road, Harrow, Middlesex, HA3 7QT	785.60
CA01	Allstar Business Solutions Limited	Post Office Box 1463, Windmill Hill, Swindon, Wiltshire, SN5 6PS	68.63
CB00	Blue Chilli Solutions Ltd	36 Heathside Park, Camberley, Surrey, England, GU15 1PT	3,303.41
CB01	Brook Security Ltd	9 Yeoman Court, Ashford Road, Bearsted, Maidstone, Kent, ME14 4ND	720.80
CB03	Barclays Bank Plc	Millshaw Court, Global Avenue, Leeds, LS11 8AN	208,198.08
		Security Given: Debenture conferring fixed and floating charges; Date Given: 05/12/2019; Amount: 0	
CC00	Capital Gas Reg		42.00
CC01	Central Commissioning (UK) Limited	19 Talland Avenue, Amington, Tamworth, Staffs, B77 3RB	540.00
CC02	City Electrical Factors Ltd	C/O Creditor Services, CVR Global LLP, 20 Furnival Street, London, EC4A 1JQ	140,544.82
CC03	Cristian Daniel Chira	74 Somervell Road, Harrow, HA2 8TT	4,892.00
CC04	Mr A Chira		161.00
CD00	Direct Control Systems Ltd	161 Hospital Street, Birmingham, West Midlands, B19 3XA	4,342.40
CE00	Engelbert Strauss	1 Apollo Rise Southwood, Farnborough, GU14 0GT	79.13
CE01	Everest AC Services Ltd	Suite 203 Crown House, North Circular Road, London, England, NW10 7PN	6,580.00
CE02	Everest Air Con Services Ltd	10 Crummock Gardens, London, England, NW9 0DG	1,060.00
CF00	FBM Electrical Ltd	59 Charlock way, Watford, WD18 6JY	470.00
CF01	Fireshield Safety Ltd	4 Woodside Place, Glasgow, G3 7QF	15,810.00
CF02	Foy Certification Ltd	6 Hamlet Road, Haverhill, Suffolk, CB9 8EE	4,320.00
CG00	Giza Contraction Ltd	29 Sidney Road, Harrow, United Kingdom, HA2 6QE	338.00
CH01	HM Revenue & Customs	NI Contributions and Employers Office, BX9 1BX	98,073.00
CH02	HM Revenue & Customs	HMRC National Insolvency Unit (NIU), Insolvency Claims Handling Unit (ICHU), Benton Park View, Longbenton, Newcastle, NE98 1ZZ	28,555.00
CH03	Hire Station Limited	C/O Ward Hadaway Law Firm, Sandgate House, 102 Quayside, Newcastle upon Tyne, NE1 3DX	82.52
CH04	HSSE Consultancy Ltd	9 Badger Wood, Broxburn, West Lothian, Scotland, EH52 6NZ	20.00
CH05	Hydro-Tech Environmental Services Limited	Unit 33 Meadow Mills, Dixon Street, Kidderminster, Worcestershire, DY10 1HH	2,295.00
CH06	HSBC Bank Plc		50,000.00
CJ00	J P Glass and Decor Ltd	Units 1-3, Eastcote Industrial Estate, Field End Road, Eastcote, Middlesex, HA4 9XG	60.00
CJ01	JJ Roofing Ltd		60.19
CJ02	JNC Solutions Ltd	Unit 14 Weekin Works, 112 -116 Park Hill Road, Harborne, B17 9HD	789.64

Signature _____

CMB Partners UK Limited
A&C UK Group Ltd
B - Company Creditors

Key	Name	Address	£
CK00	Kooltech Limited	C/O Atradius Collections, 3 Harbour Drive, Cardiff Bay, CF10 4WZ	115,158.43
CK01	Krystal Hosting Ltd	Kemp House, 152 - 160 City Road, London, EC1V 2NX	119.99
CL01	LJP Carpet & Flooring Ltd	12 N Street Industrial Estate, Droitwich, WR9 8JB	2,340.00
CM00	MAC Scaffolding	Fleetway, Penarth Road, Cardiff, CF11 8TY	3,031.60
CM01	Middlesex Alarms Limited	45 Hunters Hill, Ruislip, HA4 9HR	21,188.40
CM02	Modern Ventilation Ltd	100 Sedgley Road, Woodsetton, Dudley, West Midlands, DY1 4NG	128,546.79
CM03	Moderra Ltd	9 Lynbury Court, 31 Rickmansworth Road, Watford, WD18 7HL	23,919.83
CM04	MV & C Ventilation Ltd	28 Chichester Close, London, United Kingdom, E6 5QJ	0.56
CN00	North Street Industrial Management Ltd	140 New Road, Aston Fields, Bromsgrove, Worcestershire, B60 2LE	275.00
CP00	Palmer Solicitors	19 Town Square, Basildon, Essex, SS14 1BD	10,494.00
CP01	Pinnacle Fire Protection Ltd	39 Gilmore Crescent, Ashford, Middlesex, England, TW15 2DE	34,826.90
CP02	Purewater Storage Ltd	Trickley Coppice Farm, Coppice Lane Middleton, Tamworth, B78 2BU	18,723.31
CP03	Porsche Financial Services	C/o Volkswagen Financial Services, Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, MK14 5LR	96,621.00
CR00	Rexel UK Limited	Unit 3 Newman Road Industrial Estate, Purley Way, Croydon, CR0 3JX	7.86
CR01	Redundancy Payments Service		18,995.00
CS00	SME Solicitors	8 Sansome Walk, Worcester, Worcestershire, WR1 1LW	600.00
CS01	Smith Brothers Stores Ltd	Unit V2 Winchester Avenue, Blaby, Leicester, LE8 4GZ	71,920.81
CS02	Sox-U-Wear Limited	Little Sprays Barn, Penhurst, Battle, East Sussex, TN33 9QN	51.17
CS03	Speedy Asset Services Limited	Chase House, 16 The Parks, Newton-le-Willows, Merseyside, WA12 0JQ	2,504.08
CS04	STC Plumbing & Heating Merchants Ltd	Hopson House, Breakspear Road, Ruislip, Middlesex, HA4 7SE	79.98
CS05	Stokvis Energy SysBoiler Supply	Tom Dando Close, Normanton Industrial Estate, Normanton, WF6 1TP	144.55
CT00	Tapetech Interiors Ltd	120 Norbury Avenue, Watford, England, WD24 4PD	636.00
CT01	The Droitwich Sign & Print Co.	Design House, North Street, Droitwich, WR9 8JB	0.80
CT02	Thomas Horton LLP	Strand House, 70 The Strand, Bromsgrove, Worcestershire, B61 8DQ	1,194.00
CT03	Trans Insulation Ltd	50 Twydall Lane, Gillingham, Kent, ME8 6JE	9,783.70
CT04	Trimble	Bristol Parkway North, 1500 Newbrick Rd, Stoke Gifford, Bristol, BS34 8YU	988.80
CU00	United Printers	264 Church Rd, Northolt, UB5 5AQ	34.00
CV00	VentaFix Ltd	112 High Street, Coleshill, Birmingham, England, B46 3BL	5,152.60
CV01	Visual Comfort Europe Ltd	Unit L Downland Business Park, Lyons Way, Worthing, Sussex, England, BN14 9LA	4,082.24

Signature _____

CMB Partners UK Limited
A&C UK Group Ltd
B - Company Creditors

Key	Name	Address	£
CW00	Wychavon District Council	Civic Centre, Queen Elizabeth Drive, Pershore, Worcestershire, WR10 1PT	7,734.50
57 Entries Totalling			1,151,347.12

Signature _____
Page 3 of 5

CMB Partners UK Limited
A&C UK Group Ltd
B1 - Company Creditors - Employees & Directors

Key	Name	Address	Pref £	Unsec £	Total £
0 Entries Totalling			0.00	0.00	0.00

Signature _____
Page 4 of 5

CMB Partners UK Limited
A&C UK Group Ltd
B2 - Company Creditors - Consumer Creditors

Key	Name	Address	£
0 Entries Totalling			0.00

Signature _____
Page 5 of 5

CMB Partners UK Limited
A&C UK Group Ltd
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HC00	Adrian & Ioana Florentina Chira		Ordinary	1.00	100	1.00	100.00
HD00	Peter Neil Dimmick		Ordinary	1.00	100	1.00	100.00
2 Ordinary Entries Totalling					200		

Signature _____

Appendix D

Additional Information in Relation to Joint Administrators' Fees

14 Fee Basis

- 14.1 The Administrators are seeking to agree the basis of their remuneration in this case as a set amount. Attached to this appendix are details of the work the Administrator proposes to undertake and the expenses the Administrators consider will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Administrators Report and Statement of Proposals at Section 2.
- 14.2 Where a time cost basis is being sought, the Administrators' fees estimate will be included in this information, which also provides details of the rates the Administrators and their staff propose to charge for each part of that work and the time they anticipate each part of that work will take.
- 14.3 The fees estimate is based on information about the Company's affairs available to the Administrators at the present time. Should any matters arise which impact on this estimate, such as additional investigatory matters or potential realisable assets, further time or cost will be incurred and it may be necessary to revise the Administrators' estimate of fees.
- 14.4 In this case, we do not anticipate that it will be necessary to seek further approval to increase the level of the fees estimate if the time incurred is in excess of the fees estimate enclosed with this report.

15 Expenses

- 15.1 Below is a table which outlines the expenses that we consider at this stage will be, or are likely to be, incurred in dealing with the Company's affairs. We will provide an update to creditors in my future progress reports.

Expense	Provider	Basis of fee arrangement	Cost to date £
Solicitor's costs in dealing with sale of property/ antecedent transactions	GSC Solicitors LLP	Time cost	1,000.00
Book debt collection	Leslie Keats	10% of realisations	N/A
Property agent's fees	Sanderson Weatherall LLP	2% of realisations plus marketing expenses (at cost)	2,845.00
Unoccupied property costs	MAPS Solutions Europe Limited	Time costs and fixed fees	1,123.32
Insurance	Marsh Limited	At Cost	2,422.00
Statutory advertising	Courts Limited	At Cost	82.55
Administrator's bond	Marsh Limited	At Cost	320.00
Document storage	Oasis	At Cost	500.00

16 Staff Allocation and the Use of Sub-Contractors

- 16.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 16.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Where the basis of the Administrators' remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below.
- 16.3 We are not proposing to utilise the services of any sub-contractors in this case.

17 Joint Administrators' Disbursements

- 17.1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. Any Category 1 disbursements we anticipate being incurred in this case are included in the table of expenses above.
- 17.2 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.
- 17.3 We would confirm that this firm does not seek to charge any Category 2 disbursements.

A&C UK Group Limited ('the Company')

Fees Information in accordance with The Insolvency (England and Wales) Rules 2016 and Statement of Insolvency Practice 9

Fees Overview

Prior to an insolvency practitioner agreeing the basis of his remuneration as Administrator, details of the work proposed to be done and the expenses it is considered will be, or are likely to be, incurred in dealing with a company's affairs must be provided to creditors.

In addition, where the Administrator proposes to take all or any part of this remuneration based on the time he and his staff will spend dealing with the affairs of the insolvent company, a *fees estimate* must also be provided. This will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.

In this case, I am not proposing to agree the basis of my remuneration as Administrator based on time spent dealing with the Company's affairs, therefore am not required to provide creditors with a *fees estimate*. I am required to confirm the basis or bases I am seeking in the alternative and details of the work proposed to be done in this case, which can be found below.

Work anticipated and the likely return to creditors

Some of the work undertaken by an insolvency practitioner is required by statute and may not necessarily provide a financial benefit to creditors. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former employees via the National Insurance Fund.

Where the work to be done is anticipated to produce a financial benefit to creditors, this will be stated and it may be necessary for the Administrator to instruct third parties to assist in this process because of a particular expertise that the third party may bring such as valuation, tax or legal advice.

Where it is practical to do so, an Administrator will provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration. Again due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of a company's assets at the outset of a case, this may not be possible. An Administrator is however, required by statute to provide periodic reports to creditors on the progress of a case which will include an update as to the likely return creditors may expect.

Proposed Fee Basis/Bases – Administration

In this case, I am proposing the following basis for my remuneration as Joint Administrator:

- A set fee of £40,000 plus disbursements plus VAT.

The Administrators consider that the application of a set fee basis will provide creditors with certainty as regards the costs of the Administration and compare favourably against the likely costs that would be incurred on a time cost basis (which are likely to be in excess of the set fee which has been applied).

Please note however, that in circumstances where my initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, I reserve the right to refer back to creditors to establish how I am to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, I will revert to creditors with my fees estimate for approval.

Outline of work to be done by the Administrators

Below are details of the work I propose undertaking in support of the above fee proposal for the Administration:

Administration (including statutory compliance & reporting)

Administrators are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the Company's creditors. Whilst these tasks are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be carried out.

This work includes:

- Notifying creditors of the Administrators' appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
- Preparing and issuing the Administrators' statement of proposals for achieving the purpose of the Administration and thereafter providing periodic progress reports to members and creditors (typically every 6 months)
- Lodging periodic returns with the Registrar of Companies for the Administration
- Complying with statutory duties in respect of the Administrators' specific penalty bond
- Creation and update of case files on the firm's insolvency software
- Redirection of the Company's mail to the Administrators' office where necessary
- Establishing and holding periodic meetings of the creditors' committee and associated filing formalities (if a committee is appointed)
- Securing the Company's books and records
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the Company's insolvency to HMRC
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the Administration
- Submitting a statutory report to the Insolvency Service under the CDDA
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter)
- Opening, maintaining and managing the Administration estate cashbook and bank account(s)
- Dealing with all post-appointment VAT and corporation tax compliance

Realisation of assets

As outlined in the Administrators' proposals, since appointment the Administrators and their staff have taken steps to secure and market for sale the Company's principal asset (being the freehold property) together with taking steps to recover the other assets of the Company.

The principal residual asset (aside from the freehold property) is a sum owed to the Company by a Director (being a director's loan account). The Administrators will be required to reconcile the sums outstanding and pursue repayment using appropriate means.

Work done by the Administrator, his staff and any third parties engaged to assist the Administrator in realising the Company's assets will, it is anticipated, provide a financial benefit to creditors. This may involve realising assets to facilitate a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company. Further information on the likely outcome of the Administration process will be provided in the Administrator's subsequent progress reports.

Creditors (claims and distributions)

As Administrators, we will deal with all unsecured creditor correspondence and financial position of the Company, we currently think that after taking into consideration the costs of realising the assets and dealing with the statutory formalities of the Administration process and the related costs and expenses, a distribution may be available to unsecured creditors. We will either deal with the review and

adjudication of creditors' claims in the Administration or if appointed liquidator, in the subsequent liquidation, if and when it is determined that a dividend is to be declared to creditors.

It should be noted that the above is based on the estimated financial position of the Company and the projected realisable value of the Company's assets which at this stage is unconfirmed, together with the anticipated costs of the Administration. We will confirm the likely return to creditors in my future progress reports.

Investigations

As Administrators, we are required to conduct investigations into the conduct of the director(s) of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations).

This work may not necessarily lead to any financial benefit to creditors yet is work we are required to undertake by statute. Our initial investigations may reveal that further recoveries could be available for the insolvent estate and if this proves to be the case and we consider that further work will be required to pursue these assets, we will refer back to creditors about the likely costs involved in pursuing such recoveries.

Administrators' Expenses

As also noted, I am required to provide creditors with details of the expenses I consider will be, or are likely to be, incurred in the Administration. These may include expenses such as agent's costs for assisting in the disposal and realisation of the company's physical assets or other routine expenses associated with an insolvency case such as statutory advertising costs or the office holder's specific penalty bond.

Below is a summary of the expenses I consider will be, or are likely to be, incurred in this case. I will provide a further update to creditors in my subsequent progress reports.

Expense	Estimated cost £
<i>Solicitors' costs for dealing with all matters arising post appointment</i>	5,750.00
<i>Insurance</i>	2,422.00
<i>Statutory advertising</i>	82.55
<i>Specific penalty bond</i>	320.00
<i>Unoccupied property expenses</i>	2,500.00
<i>Quantity surveyors' fees</i>	3,000.00
<i>Chattel agent's fees</i>	1,000.00
<i>Property agent's fees</i>	8,845.00
	23,919.55

CMB Partners UK Limited's Category 2 disbursements policy

Attached are details of my firm's Category 2 disbursements policy.

Category 2 disbursements require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Any Category 2 disbursements which this firm proposes to charge in this case are reflected in the table of expenses above. Approval to charge these will be sought from creditors when the basis of my remuneration as Administrator is fixed.

Appendix E

Estimated Outcome Statement as at 6 November 2020

A&C UK Group Limited
Estimated Outcome Statement as at 6 November 2020

	Book Value £	Estimated Outcome £
Assets		
Fixed charge assets		
Freehold property - Unit 10, North Street	307,167	300,000
Goodwill	Nil	5,000
Less sums owed to Barclays Bank Plc	-208,198	-208,198
Less costs of sale		-11,845
		<u>84,957</u>
 Motor vehicle	 110,383	 96,621
Less outstanding HP	-96,621	-96,621
		Nil
Floating charge assets		
Office equipment	7,743	1,000
Furniture and fixtures	2,125	500
Book debts/retentions	191,368	20,000
Cash at bank	6,000	6,000
Loan - The White Book Group Limited - in Liquidation	254,200	Nil
Loan - Droitwich	31,000	6,200
Director's loan account - P Dimmick	131,272	50,000
		<u>168,657</u>
Surplus Available for Costs		168,657
Administration (pre-appointment CMB costs)		(12,500)
Administration (pre-appointment legal costs)		(1,750)
Administration (pre-appointment swear fees)		(268)
Administrator's fees		(40,000)
Administration legal fees		(3,000)
Administration disbursements		(1,000)
Quantity surveyor fees		(3,000)
Insurance		(2,422)
Other property expenses (unoccupied requirements etc)		(2,500)
Agent's fees		(1,000)
Liquidation fees (CVL)		(15,000)
		<u>86,217</u>
Surplus Available for Preferential Creditors		86,217
Preferential Creditors		
Arrears of Wages & Holiday Pay		(5,000)
Pension liability		(3,995)
		<u>77,222</u>
Surplus Available for Unsecured Creditors		77,222
Unsecured creditors		
Trade and expense creditors		(650,744)
HSBC Bank Plc - Bounceback loan		(50,000)
HMRC - VAT		(28,555)
HMRC - PAYE		(3,763)
HMRC - CIS		(94,310)
Director's loan account		(161)
Employee claims - redundancy/notice/unsecured wages		(10,000)
		<u>(760,311)</u>
Surplus/(Deficit) to creditors		<u>(760,311)</u>
 % return to unsecured creditors		 9%