

AM10

Notice of administrator's progress report



Companies House

SATURDAY



A06 10/04/2021 #28
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 ^①

Full forename(s) Lane

Surname Bednash

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

5 Administrator's address ^②

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.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d	1	d	5	m	0	m	9	y	2	y	0	y	2	y	0
To date	d	1	d	4	m	0	m	3	y	2	y	0	y	2	y	1

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X 

X

Signature date	d	0	d	7	m	0	m	4	y	2	y	0	y	2	y	1
----------------	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

AM10

Notice of administrator's progress report



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 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' Progress Report

A&C UK Group Ltd
- In Administration

For the period from 15 September 2020 to 14 March 2021

CONTENTS

- 1 Introduction
- 2 Progress of the Administration
- 3 Pre-administration Costs
- 4 Joint Administrators' Remuneration
- 5 Estimated Outcome for Creditors
- 6 Ending the Administration
- 7 Creditors' Rights
- 8 Next Report

APPENDICES

- A Receipts and Payments Account from 15 September 2020 to 14 March 2021
- B Additional Information in Relation to the Joint Administrators Fees, Expenses & Disbursements
- C Estimated Outcome Statement as at 14 March 2021

THE ADMINISTRATOR'S PROGRESS REPORT

1 Introduction

- 1.1 I, together with Lane Bednash, was appointed as Joint Administrator of A&C UK Group Ltd (the Company) on 15 September 2020. The appointment was made by Peter Neil Dimmick and Adrian Chira ("the Directors") of the Company.
- 1.2 This Administration is being handled by CMB Partners UK Limited at Craftwork Studios, 1-3 Dufferin Street, London, EC1Y 8NA. The Administrators' contact details are by phone on 020 7377 4370 or via email at info@cmbukltd.co.uk. The Administration is registered in the High Courts of Justice, Insolvency and Companies Court, reference number 003609 of 2020.
- 1.3 As Joint Administrators, we are required to provide a progress report covering the period of six months commencing from the date the Company entered Administration and every subsequent period of six months. This progress report covers the period from 15 September 2020 to 14 March 2021 (the Period) and should be read in conjunction with my earlier proposals report and any previous progress reports which have been issued.
- 1.4 Information about the way that we will use, and store personal data on insolvency appointments 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.
- 1.5 The trading address of the Company was Unit 10, North Street Industrial Estate, Droitwich, WR9 8JB.
- 1.6 The registered office of the Company is Craftwork Studios, 1-3 Dufferin Street, London, EC1Y 8NA and its registered number 09812089.

2 Progress of the Administration

- 2.1 You may recall that the statutory objective being pursued in the Administration was achieving a better result than would be likely if the company were wound up. In addition to the pursuance of this statutory objective, the Administrators have duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.
- 2.2 This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Administrators under other related legislation.
- 2.3 At Appendix A is my Receipts and Payments Account covering the period of this report.
- 2.4 Further information about the basis of remuneration agreed in this case and the Administrators' fees estimate can be found in section 4 of this report, together with any relevant information about revisions to my initial estimate, where applicable.

Administration (including statutory compliance & reporting)

- 2.5 As noted above, the Administrators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work that I anticipated would need to be done in this area was outlined in my initial fees information.
- 2.6 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Administrators.
- 2.7 As noted in my initial fees information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

Cash at bank

- 2.8 The sum of £6,000 held in a client account pre-appointment has been transferred into the administration bank account.

Freehold property

- 2.9 Sanderson Weatherall LLP ("the Agents") has been instructed to conduct a sale of the freehold property. There has been some private interest in the purchase of the freehold property but no successful sale as of yet. Two sales were agreed in principle, however both proposed purchasers subsequently struggled to raise the required finance to complete the purchase. As such the Administrators have now agreed with the Agents that the property will be placed into an auction on 26 May 2021; marketing in respect of which has now commenced.
- 2.10 The Agents now expect the realisation figure to be reduced from £300,000, which was originally estimated in the Administrators' Proposals, to a price range of £250,000 to £280,000. The figure being advised by the Agents to use for the estimated outcome statement is £260,000 which represents a point just above the worst case scenario. The fees associated with the auction and Agents work are: a 2% commission fee, time costs capped at £500, marketing costs of £928.41 (which could increase to no more than £1,250 over time) and auction fees of 1% plus a £500 basic fee.

Motor vehicle – on finance

- 2.11 As stated in the Administrators' Proposals, the Company's motor vehicle has been given back to the finance company meaning this asset is no longer in the Company's control. There was no equity in the vehicle which could be claimed in the administration.

Goodwill

- 2.12 The Company's goodwill was expected to realise £5,000. However, no sale has been completed and no realisations are now expected in this regard,

Fixtures & fittings and office equipment

- 2.13 There are some remaining fixtures & fittings along with office equipment that were estimated to realise £1,500. However, latterly it has been agreed that these fixtures & fittings will be left within the property and sold as part of the sale process.

Book debts/retentions

- 2.14 The Company had an outstanding book debt/retention ledger with a book value of £191,368 as at the date of the Statement of Affairs. The estimated realisable value is still set at £20,000, however there have been no realisations against this asset to date. Specialist quantity surveyors, Leslie Keats, were instructed to review and pursue collection of the outstanding sums due. They have advised that the positions are all subject to challenge or counter claim and therefore the likely realisable value is currently wholly uncertain.

Loan – The White Book Group Limited ('WBGL') – In Liquidation

- 2.15 WBGL was placed into liquidation on 3 August 2020, with Adam Price and Lane Bednash of CMB Partners UK Limited being appointed Joint Liquidators. Peter Neil Dimmick was formerly a director of WBGL, resigning in early 2019. As advised in the Administrators' Proposals, the Joint Liquidators will continue to investigate the failure of WBGL and see if there is any money to be received. At the date of this report, there is not anticipated to be a return to creditors from the liquidation.

Loan – Droitwich

The Company previously lent the sum of £31,000 to a limited company operating in the manufacturing space. For the purpose of the estimated outcome statement, the realisable sum from this loan is still set at 20% as per the Administrators' Proposals. The Administrators continue to chase the realisation of this sum; however, it does not appear likely that any significant realisation will be achieved.

Director's loan account – Peter Neil Dimmick

- 2.16 The Company's record indicate that Peter Neil Dimmick owes the Company the sum of £131,272, in respect of an overdrawn loan account. The Joint Administrators are continuing to liaise with Peter Neil Dimmick following the interim demand having been made for the purpose of the estimated outcome statement provided with the Administrators' Proposals.
- 2.17 It is considered that the work the Administrators and their staff have undertaken to date will bring a financial benefit to creditors. This may be 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.

Creditors (claims and distributions)

- 2.18 Further information on the anticipated outcome for creditors in this case can be found at section 5 of this report. The Administrators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.19 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.20 The above work will not necessarily bring any financial benefit to creditors generally, however the Administrators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrators in dealing with those claims.
- 2.21 I consider the following matters worth noting in my report to creditors at this stage:
- There are approximately 57 unsecured creditor claims in this case with a value per the directors' statement of affairs of £1,151,347.12.
 - Barclays Bank Plc is the only secured creditor who is owed approximately £208,198.08.
 - Dealing with the claims of 8 employees.
 - I anticipate claims from preferential creditors totalling £23,689 which includes the employees' claims and the Nest Pension liability. This figure has increased from the initial estimated amount of £8,995 as it has latterly been discovered that the employees' were owed arrears of wages from 1 August 2020 to 14 September 2020.

Investigations

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

A&C UK GROUP LTD - IN ADMINISTRATION

- 2.23 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 2.24 Shortly after appointment, I made 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 took into account information provided by creditors either at the initial meeting (where held) or as a response to my request to complete an investigation questionnaire. My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

What remains to be done in the Administration

- 2.25 The sale of the freehold property remains the primary matter that the Administrators need to resolve alongside the collection of the overdrawn director's loan account of Peter Dimmick. Thereafter the Administrators will move the Administration to creditors' voluntary liquidation for the purpose of paying an unsecured distribution to creditors of circa 1-4p in £.

3 Joint Administrators' Remuneration

- 3.1 The basis of the Administrators' fees has been fixed in the Administration as a set amount. My fees information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.
- 3.2 The Administrators have drawn no fees against the total set fee agreed of £40,000 approved by creditors.
- 3.3 At the date of this report, I would confirm that my fees estimate for the Administration remains unchanged.
- 3.4 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from www.cmbukltd.co.uk/downloads.
- 3.5 Attached at Appendix B is additional information in relation to the Administrators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

4 Estimated Outcome for Creditors

- 4.1 An Estimated Outcome Statement as at 14 March 2021 is attached at Appendix C.

Secured Creditors

- 4.2 Barclays Bank UK Plc holds a fixed charge over the Company's freehold property. At the date of the Administration the indebtedness to the secured creditor was estimated at £208,198.08 and this claim has not been agreed as of yet with no amount being paid. It is anticipated that this sum will be paid in full from the sale of the freehold property over which Barclays Bank Plc holds a fixed charge.

Preferential Creditors

- 4.3 A summary of preferential claims is detailed below.

Preferential claim	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1
Employee claims (Total number of claims = 8)	-	5,000.00	N/A
Nest Pensions	-	3,995.00	N/A

Unsecured Creditors

- 4.4 I have received claims totalling £924,423.43 from 19 creditors. I have yet to receive claims from 40 creditors whose debts total £545,960.20 as per the Company's statement of affairs.
- 4.5 The Company granted a floating charge to Barclays Bank UK Plc on 9 December 2019. We expect the floating charge holder to be repaid in full through the fixed charge assets; thus no floating charge claim arises.

5 Ending the Administration

Exit Routes

- 5.1 At the time of drafting this report, I still do not believe that an extension to the period of Administration will be necessary as previously advised in the Proposals. 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

- 5.2 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. It is proposed that the Joint Liquidators will be authorised to act jointly and severally in the subsequent liquidation.
- 5.3 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

- 5.4 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.
- 5.5 The Administrators' appointment will end following the registration of the notice by the Registrar of Companies.
- 5.6 The Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

6 Creditors' Rights

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrators, as set out in this progress report, are excessive.

7 Next Report

- 7.1 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or they wish to extend it.

For and on behalf of
A&C UK Group Ltd

A handwritten signature in black ink, consisting of a stylized 'A' with a horizontal line extending to the right.

Adam Price
Joint Administrator

A&C UK GROUP LTD - IN ADMINISTRATION

Appendix A

Receipts and Payments Account from 15 September 2020 to 14 March 2021

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

Statement of Affairs £		From 15/09/2020 To 14/03/2021 £	From 15/09/2020 To 14/03/2021 £
	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	1,731.32	1,731.32
		(4,153.32)	(4,153.32)
	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)		1,846.68	1,846.68
	REPRESENTED BY		
	Bank 1 Current		1,500.42
	Vat Receivable		346.26
			1,846.68

Appendix B

Additional Information in Relation to the Joint Administrators' Fees, Expenses & Disbursements

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 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.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
GSC Solicitors LLP (legal advice)	Time costs (capped at £7,000)
MAPS Solutions Europe Ltd (valuation and disposal advice)	Time cost and fixed fees
Leslie Keats (book debt collection)	10% of realisations
Sanderson Weatherall LLP (property agent's fees)	Realisation fee plus expenses

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

3 Joint Administrators' Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the Administration was provided to creditors in the Administrators' Proposals Report a copy of which is set out below:

Expense	Estimated Cost £
Solicitor's costs in dealing with sale of property / antecedent transactions	1,000.00
Book debt collection (Leslie Keats)	N/A
Property agent's fees (Sanderson Weatherall LLP)	2,845.00
Unoccupied property costs (MAPS Solutions Europe Limited)	1,123.32
Insurance	2,422.00
Statutory advertising	82.55
Administrators' bond	320.00
Document storage	500.00

Current position of Joint Administrators' expenses

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Agents' costs	-	2,845.00	2,845.00
Solicitors' costs	-	1,000.00	1,000.00
Insurance	2,422.00	N/A	3,633.00
Statutory advertising	-	82.55	82.55
Specific penalty bond	-	320.00	320.00
Property Expenses	1,731.32	N/A	1,731.32
Document storage	-	500.00	500.00

- 3.3 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. These disbursements are included in the tables of expenses above.
- 3.4 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. Details of Category 2 disbursements charged by this firm (where appropriate) were provided in the Administrators' Proposals Report and approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

Appendix C

Estimated Outcome Statement as at 14 March 2021

A&C UK Group Limited
Estimated Outcome Statement as at 14 March 2021

	Book Value £	Estimated Outcome £
Assets		
Fixed charge assets		
Freehold property - Unit 10, North Street	307,167	260,000
Goodwill	Nil	Nil
Less sums owed to Barclays Bank Plc	<u>-208,198</u>	-208,198
Less costs of sale		<u>-9,750</u>
		42,052
 Motor vehicle	 110,383	 96,621
Less outstanding HP	<u>-96,621</u>	<u>-96,621</u>
		Nil
Floating charge assets		
Office equipment	7,743	Nil
Furniture and fixtures	2,125	Nil
Book debts/retentions	191,368	Uncertain
Cash at bank	6,000	6,000
Loan - The White Book Group Limited - in Liquidation	254,200	Nil
Loan - Droitwich	31,000	Uncertain
Director's loan account - P Dimmick	131,272	75,000
		<hr/>
Surplus Available for Costs		123,052
 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		Uncertain
Insurance		(3,633)
Other property expenses (unoccupied requirements etc)		(2,500)
Agent's fees		Nil
Liquidation fees (CVL)		<u>(15,000)</u>
 Surplus Available for Preferential Creditors		43,401
 Preferential Creditors		
 Arrears of Wages & Holiday Pay		(19,694)
Pension liability		<u>(3,995)</u>
 Surplus Available for Unsecured Creditors		19,712
 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		(27,606)
 Surplus/(Deficit) to creditors		<u><u>(835,427)</u></u>
 % return to unsecured creditors		2%