

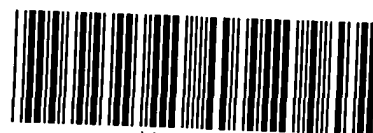
AM10

Notice of administrator's progress report



Companies House

SATURDAY



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02/04/2022

#99

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 1
To date	^d 1	^d 4	^m 0	^m 3	^y 2	^y 0	^y 2	^y 2

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 1	^m 0	^m 4	^y 2	^y 0	^y 2	^y 2
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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 2021 to 14 March 2022

CONTENTS

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

APPENDICES

- A Receipts and Payments Account from 15 September 2021 to 14 March 2022 along with a Cumulative Receipts and Payments Account for Period from 15 September 2020 to 14 March 2022
- B Additional Information in Relation to the Joint Administrators' Fees, Expenses & the use of Subcontractors
- C Estimated Outcome Statement as at 14 March 2022

THE ADMINISTRATORS' PROGRESS REPORT

1 Introduction

- 1.1 I, together with Lane Bednash, was appointed 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").
- 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 Administrator, 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 2021 to 14 March 2022 (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. The Company provided plumbing, heat and air conditioning installation services.
- 1.6 The registered office of the Company is Craftwork Studios, 1-3 Dufferin Street, London, EC1Y 8NA and its registered number 09812089.

2 Receipts and Payments

- 2.1 At Appendix A is my Receipts and Payments Account covering the period of this report along with a cumulative Receipts and Payments Account from the date of my appointment as Joint Administrator to 14 March 2022.

3 Progress of the Administration

- 3.1 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.
- 3.2 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.

Administration (including statutory compliance & reporting)

- 3.3 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 which was previously agreed by creditors.
- 3.4 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.
- 3.5 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

- 3.6 There have been no further asset realisations in the Period.
- 3.7 It has been established by specialist quantity surveyors, Leslie Keats, that there is no possibility of any recovery being made in respect of the Company's contract debts due to potentially significant counter claims being levied against the Company. As such no realisation will be possible in respect of these sums.

It is anticipated that the work the Administrators and their staff have undertaken to date has brought a financial benefit to the secured creditor, Barclays Bank Plc, who have been paid in full following the sale of the freehold property. There may be a dividend available to the ordinary preferential creditors once the costs of the Administration have been settled. At this moment in time, it is uncertain as to whether there will be a distribution available to the unsecured creditors. There will be updates provided to creditors if anything changes throughout the Administration.

Creditors (claims and distributions)

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.

- 3.8 Work undertaken by Administrators in dealing with a company's creditors may only bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however an Administrator is 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.
- 3.9 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.
- 3.10 At this stage, I consider the following matters worth bringing to the attention of creditors:
- There is one secured creditor who was owed £208,458.53. This sum has been paid in full following the sale of the freehold property.
 - I have received ordinary preferential claims from the Redundancy Payments Service totalling £7,239.02, £746.68 from the employees' and a preferential claim from Nest pension of £2,827.60.
 - I have been required to deal with the claims of 8 employees.
 - There are approximately 56 unsecured creditor claims in this case with a value per the Directors' statement of affairs of £934,153.48.

Investigations

- 3.11 My investigations revealed the following issue:
- Peter Dimmick had an overdrawn director's loan account which is being pursued by a solicitor instructed by the Administrators to try and recover any possible sums. The updated estimated outcome following the solicitor's investigations is £30,000 - £40,000 as seen in the Estimated Outcome Statement at Appendix C.
- 3.12 You may recall from my first progress report to creditors that some of the work 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 can be pursued for the benefit of creditors.

3.13 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first period of the Administration and is confidential.

3.14 Since my last progress report I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors.

What remains to be done in the Administration

3.15 Continue to pursue Peter Dimmick's Director's loan account through the instructed solicitor to understand if any monies can be recovered. It is currently believed that £30,000 - £40,000 could be recovered from the continued correspondence exchanged with the Director and the solicitor. If it is deemed that the loan account is irrecoverable, then this action will be stopped.

4 Estimated Outcome for Creditors

4.1 Attached at Appendix C is an updated Estimated Outcome Statement. This represents my estimate of the outcome of the Administration as at the end of the Period covered by this report.

4.2 At the present time, it is anticipated there will be sufficient funds realised after defraying the expenses of the Administration to pay a dividend to the ordinary preferential creditors in full, with a nominal sum of one pence in the £ (best case scenario if the estimated realisable value of the director's overdrawn loan account of £40,000 is realised in full) likely to remain to pay a small distribution to unsecured creditors. The final dividend amount paid will be calculated once the Administrators are satisfied that any recoverable assets have been collected. Further updates will however be provided in future progress reports or as and when the Administrators deem it necessary to update creditors.

Secured Creditors

4.3 Barclays Bank Plc holds a fixed and floating charge over the Company's assets. At the date of the Administration the indebtedness to the secured creditor was estimated at £208,198.08 and has now been agreed at £208,458.53. This liability has been discharged in full from the fixed charge proceeds arising from the property sale; Barclays Bank Plc has confirmed that it has no further claim in the Administration.

Preferential Creditors

4.4 A summary of the preferential claims and details of any distributions paid to date can be found below:

	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p.in the £1	Date dividend paid
Employee claims (Total number of claims = 6)	746.68	1,172.91	N/A	N/A
Department for Business, Energy & Industrial Strategy (BEIS)	7,239.02	18,521.30	N/A	N/A
Nest Pensions	2,827.60	3,995.00	N/A	N/A

4.5 A dividend is anticipated to the ordinary preferential creditors prior to the conclusion of the Administration, the details of which will be provided to the preferential creditors in due course.

Unsecured Creditors

4.6 I have received claims totalling £1,539,493.02 from 23 creditors. I have yet to receive claims from 37 creditors whose debts total £194,306.25 as per the Company's statement of affairs.

4.7 The Company granted a floating charge to Barclays Bank Plc on 13 February 2020. As the secured creditor has been paid in full from fixed charge assets, there will be no requirement to create a prescribed part fund.

5 Joint Administrators' Remuneration

- 5.1 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.
- 5.2 The Administrators' remuneration basis was agreed as a set amount by creditors. To date an amount of £12,500 has been drawn against the total set fee agreed of £40,000. It is anticipated the balance will be drawn prior to the closure of the Administration, however the total amount paid to my firm against the agreed set fee will be confirmed in my final progress report in due course.
- 5.3 At the date of this report, I would confirm that my fees estimate for the Administration remains unchanged.
- 5.4 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from www.cmbukltd.co.uk/downloads.
- 5.5 Attached at Appendix B is additional information in relation to the Administrators' fees, expenses and the use of subcontractors and other professional advisers.

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 Ending the Administration

- 7.1 During the previous Period, an extension to the Administration was sought after to continue to pursue Peter Dimmick's overdrawn director's loan account and approval for this decision was received in the prior Period on 25 August 2021. Based on information currently available, the information on the exit route we believe may be appropriate in this Administration is set out below.

Creditors' Voluntary Liquidation

- 7.2 Based on the current level of realisations, the Administrators think that a dividend may be paid to the ordinary preferential creditors, and a potential nominal dividend paid to the unsecured creditors of circa one pence in the £ after the costs of the Administration have been settled. As agreed in the Joint Administrators' proposals the Administration will be moved to Liquidation with the Joint Administrators being appointed Joint Liquidators. In the event that the Administrators consider that this is not possible the Administration will be moved to Dissolution.
- 7.3 The Administrators' appointment will end following the registration of the notice by the Registrar of Companies.
- 7.4 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.

8 Next Report

- 8.1 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 he wishes to extend it.

For and on behalf of
A&C UK Group Ltd

A handwritten signature in black ink, appearing to be 'A Price', with a long horizontal stroke extending to the right.

Adam Price
Joint Administrator

Appendix A

Receipts and Payments Account from 15 September 2021 to 14 March 2022 along with a Cumulative Receipts and Payments Account for Period from 15 September 2020 to 14 March 2022

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

Statement of Affairs £		From 15/09/2021 To 14/03/2022 £	From 15/09/2020 To 14/03/2022 £
	SECURED ASSETS		
300,000.00	Freehold Property -Unit 10, North Stre	NIL	280,000.00
5,000.00	Goodwill	NIL	NIL
		NIL	280,000.00
	SECURED CREDITORS		
(208,198.08)	Barclays Bank Plc	NIL	208,458.53
		NIL	(208,458.53)
	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	NIL	6,000.00
	Contribution to search fees	NIL	848.16
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
	Miscellaneous refund	NIL	42.00
1,000.00	Office Equipment	NIL	NIL
		NIL	6,890.16
	COST OF REALISATIONS		
	Accountancy Fees - Investigation	NIL	2,500.00
	Agents/Valuers Fees - Auction fees	NIL	3,300.00
	Agents/Valuers Fees - Property agent f	NIL	7,318.75
	Bank Charges	NIL	84.00
	Insurance of Assets	NIL	3,769.03
	Investigation fee	450.00	450.00
	Legal fees - post appointment	NIL	8,211.80
	Legal Fees - pre appointment	NIL	1,750.00
	Office Holders Fees	NIL	12,500.00
	Other Property Expenses	NIL	3,135.28
	Pre administration fee- CMB	NIL	12,500.00
	Virtual swearing fees - pre appointmen	NIL	268.34
		(450.00)	(55,787.20)
	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)		(450.00)	22,644.43
	REPRESENTED BY		

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

Statement of Affairs £	From 15/09/2021 To 14/03/2022 £	From 15/09/2020 To 14/03/2022 £
REPRESENTED BY CONTINUED		
Bank 1 Current		12,333.74
Vat Control Account		60.00
Vat Receivable		10,250.69
		22,644.43

Appendix B

Additional Information in Relation to the Joint Administrators' Fees, Expenses & the use of Subcontractors

Staff Allocation and the Use of Subcontractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

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.

We have not utilised the services of any subcontractors in this case.

Professional Advisors

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 (initially 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
Arkco Accountants Limited	Fixed fee
Prontac Intelligence Limited (Tracing agent)	Fixed fee

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.

Joint Administrators' Expenses

The estimate of expenses which were anticipated in the Administration was provided to creditors when the basis of my fees was approved.

Category 1 expenses

These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval. Examples include; agent's costs for assisting in the disposal and realisation of assets, legal costs, specialist pensions advice, tax services or other routine expenses associated with an insolvency appointment such as statutory advertising costs.

Category 2 expenses

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

It is this firm's policy that we do not seek to recover Category 2 expenses.

The table below compares the anticipated costs against those incurred to date:

A&C UK GROUP LTD - IN ADMINISTRATION

Expense	Estimated overall cost £	Paid in Prior Periods £	Paid in the period covered by this report £	Incurred but not paid to date £
Accountancy Fees - Investigation	2,500.00	2,500.00	N/A	N/A
Agent's fees - Auction	3,300.00	3,300.00	N/A	N/A
Agent's fees - Property	7,318.75	7,318.75	N/A	N/A
Bank Charges	84.00	84.00	N/A	N/A
Insurance of Assets	3,769.03	3,769.03	N/A	N/A
Investigation Fee	2,450.00	N/A	450.00	2,000.00
Legal fees - Pre appointment	1,750.00	1,750.00	N/A	N/A
Legal fees - Post appointment	8,211.80	8,211.80	N/A	N/A
Quantity surveyor fees	6,682.00	N/A	N/A	6,682.00
Statutory advertising	82.55	N/A	N/A	82.55
Specific Penalty Bond	320.00	N/A	N/A	320.00
Property expenses	3,135.28	3,135.28	N/A	N/A
Virtual Swearing Fees - Pre App	268.34	268.34	N/A	N/A
Document storage	500.00	N/A	N/A	500.00

Appendix C

Estimated Outcome Statement as at 14 March 2022

A&C UK Group Limited
Estimated Outcome Statement as at 14 March 2022

	Book Value £	Estimated Outcome £
Assets		
Fixed charge assets		
Freehold property - Unit 10, North Street	307,167	280,000
Goodwill	Nil	Nil
Less sums owed to Barclays Bank Plc	<u>-208,459</u>	<u>-208,459</u>
Less costs of sale		<u>-10,619</u>
		60,923
 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	Nil
Cash at bank	6,000	6,000
Miscellaneous Refund	-	42
Loan - The White Book Group Limited - in Liquidation	254,200	Nil
Loan - Droitwich	31,000	Nil
Director's loan account - P Dimmick	131,272	40,000
		<u>106,965</u>
Surplus Available for Costs		106,965
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		(8,212)
Administration disbursements		(1,000)
Accountancy fees - investigation		(2,500)
Auction fees		(3,300)
Agent's fees - property		(7,319)
Insurance		(3,769)
Other property expenses (unoccupied requirements etc)		(3,135)
Bank charges		(84)
Liquidation fees (CVL)		<u>-</u>
Surplus Available for Preferential Creditors		23,128
Preferential Creditors		
Arrears of Wages & Holiday Pay - RPS		(7,986)
Employees'		(747)
Pension liability		<u>(2,828)</u>
Surplus Available for Unsecured Creditors		11,567
Unsecured creditors		
Trade and expense creditors		(1,539,494)
HSBC Bank Plc - Bounceback loan		(50,000)
HMRC - VAT		(28,555)
HMRC - PAYE		(3,763)
HMRC - CIS		(94,310)
Director's loan account		(161)
RPS		(5,133)
Employee claims - redundancy/notice/unsecured wages		(1,551)
Surplus/(Deficit) to creditors		<u>(1,711,399)</u>
 % return to unsecured creditors		 1%