

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Caged Laser Engineering (Frome) Limited	Company number 09893112
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 2003 of 2017

(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)
Carl Jackson
Quantuma LLP
14th Floor, Dukes Keep
Marsh Lane
Southampton
SO14 3EX

Simon Campbell
Quantuma LLP
14th Floor, Dukes Keep
Marsh Lane
Southampton
SO14 3EX

*Delete as applicable

attach a copy of *my/our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) 21 March 2017

Signed



Joint / Administrator(s)

Dated

21 March 2017

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

The contact information that you give will be visible to researchers of the public record

Carl Jackson
Quantuma LLP
14th Floor, Dukes Keep
Marsh Lane
Southampton
SO14 3EX

DX Number

02380336464
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at:-
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

SATURDAY



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 COMPANIES HOUSE

#199

**Joint Administrators' Proposals relating to
Caged Laser Engineering (Frome) Limited ("the Company") – In Administration**

Issued on: 21 March 2017

Carl Jackson and Simon Campbell of Quantuma LLP are the Joint Administrators of the Company and these are the Joint Administrators' statutory Proposals relating to the Company.

STATUTORY INFORMATION

Statutory information relating to the Company is attached at **Appendix I**.

CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS

The Company was incorporated in November 2015 and operated in the fabrication of precision engineering parts, components and finished products. Its specialist target market was second tier automotive manufacturers and motor racing teams.

It traded from rented premises at A4 and A5, Commerce Park, Frome, Somerset, BA11 2RY.

The Company was funded by way of an invoice factoring agreement with First Capital Factors Limited ("FCFL").

A summary of the Company's recent trading performance is shown below.

	Mgmt Accts Dec 2015 to Nov 2016 £'000	Mgmt Accts Dec 2016 to March 2017 £'000
Turnover	919,498	174,087
Costs of Sales	<u>(209,263)</u>	<u>(48,084)</u>
Gross Profit	710,236	126,004
Gross Profit %	77%	72%
Overheads	<u>(702,367)</u>	<u>(79,725)</u>
Net Profit/Loss after tax	<u>7,869</u>	<u>46,279</u>

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

In September 2016, FCFL was placed into administration and the factoring facility was taken over by Leumi ABL Limited ("Leumi"). The director felt that the Company was not receiving the same level of support it had previously and therefore took steps to source an alternative funder.

The director has advised that the Company suffered the following issues which severely impacted the Company's cash flow:

- The director believed that the Company had suffered a fraud from one of its employees to the detriment of £50,000.
- It had suffered a bad debt in the sum of £50,000.
- Approximately 50% of the Company's business requires the use of an expensive laser machine which due to the large monthly rental payments had proved to be unprofitable.

Prior to the commencement of the Administration, Quantuma LLP acted as advisors to the Board as a whole acting on behalf of the Company. No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, Quantuma LLP was still required to act in its dealings with the Company in accordance with the Insolvency Code of Ethics.

The director first met with Quantuma LLP on 27 February 2017 to discuss the Company's financial position. The various options available to the Company were discussed but due to increasing creditor pressure and the fact that wages were due to be paid shortly, it was decided that the Company needed to enter an informal insolvency process as soon as possible.

I can confirm that prior to my instruction to advise the Board on 01 March 2017, Quantuma LLP had no involvement with the Company, its Directors or Shareholders.

It appeared from the information provided by the director that the business and assets would have greater value if they were sold as a going concern. Quantuma LLP therefore considered that a 'pre-pack' sale may be appropriate and undertook a marketing campaign to seek a purchaser for the business and instructed SIA Group (UK) Limited ("SIA") to complete a valuation.

The only offer for the business was received from Caged Laser Engineering (SW) Limited, a connected company by way of the common directorship of Philip Squance. The Joint Administrators passed this to SIA who advised that in the absence of any other offers it should be accepted.

The offer accepted was as follows:

<i>Fixed Charge</i>	£
Goodwill (inc WIP and Order Book)	4,000
<i>Floating Charge</i>	
Office Equipment	1,550
Plant and Equipment	16,840
Stock	2,610
	<u>25,000</u>

The sum of £10,000 was payable upon completion and the balance is to be paid by deferred consideration over three months. Full details of the sale are enclosed at **Appendix II**.

On 14 March 2017, Simon Campbell and I were appointed by Appointor as Joint Administrators of the Company and took over from the Board responsibility for the management of the affairs, business and property of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and we have been the Administrators primarily involved in dealing with the Company's affairs. The sale to Caged Laser Engineering (SW) Limited completed shortly after the appointment of the Joint Administrators.

OBJECTIVES OF THE ADMINISTRATION AND THE JOINT ADMINISTRATORS' STRATEGY FOR ACHIEVEMENT

As Administrator of the Company I am an officer of the Court, and I must perform my duties in the interests of the Creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to:

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

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.

The second objective could not be achieved as the amount due to the Company's chargeholders compared to the value of its assets means that there are only sufficient assets to make a distribution to the chargeholders. As a result, I am seeking to achieve objective (c) for the Company, and this will be achieved by the pre-pack sale and the enhanced recoveries from the book debt collections.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the Creditors. If I am unable to complete the Administration of the Company within 12 months then I will convene a meeting of creditors by correspondence to seek approval to extend the duration of the Administration. Alternatively I can apply to the Court to seek approval to extend the duration of the Administration.

ACTIONS OF THE JOINT ADMINISTRATORS FOLLOWING APPOINTMENT

Pre Packaged Sale

The Joint Administrators decided that it was not appropriate to continue the business of the Company and that an immediate sale of the Company's business and assets was the best way to achieve the objective of the Administration. As a result on 14 March 2017, we sold the Company's business and assets to Caged Laser Engineering (SW) Limited.

This sale constituted a pre-packaged sale and I am therefore required to make a disclosure to Creditors in order to meet the requirements of Statement of Insolvency Practice 16. This disclosure can be found at **Appendix II**.

I confirm that the sale price achieved, and also the outcome, was the best available outcome for Creditors of the Company as a whole in all the circumstances of the case and that the pre-pack sale achieves the statutory purpose of the Administration that I am seeking to achieve in respect of the Company.

The initial consideration has been paid by the purchaser and is currently being held by the Joint Administrators' solicitors.

FINANCIAL POSITION OF THE COMPANY

The Joint Administrators have asked the Directors to prepare a summary of the Company's estimated financial position, a Statement of Affairs, as at 14 March 2017. We understand that this will be received shortly.

In the absence of a Statement of Affairs, the Joint Administrators have prepared an estimate of the financial position of the Company as at 14 March 2017 from the records of the Company, and that is attached at Appendix 2, together with a list of names and addresses of all known Creditors and the amounts of their debts.

Comments regarding the Joint Administrators' Estimate of the Financial Position of the Company are as follows:

Book debts

The Company factored its book debts, and as a result they are held as security by Castle Business Finance Limited ("Castle"). Castle are collecting the book debts and the Joint Administrators are providing assistance where necessary.

There are currently outstanding debts totalling £135,704. For the purposes of the preparation of the Estimate of the Company's Finance Position, a bad debt provision of 20% has been applied giving an estimated to realise figure of £108,563. It is understood that the current balance due to Castle is

£93,771 before charges and termination fees and therefore it is currently uncertain whether there will be a surplus for the benefit of the administration.

Plant and machinery

The majority of the Company's plant and machinery was bought on finance. This was valued by SIA who have advised there is no equity in the equipment. It is therefore proposed that this be returned to the relevant finance companies.

ROT Stock

There is stock with a book value of £12,609 which we have been advised is likely to be subject to a retention of title claim and accordingly this has been excluded from the sale. The Joint Administrators are in the process of requesting the appropriate documentation in order to review the terms of the supply to establish whether there is a valid retention of title claim. If it is considered that there is no valid retention of title clause then the stock will be sold for the benefit of the Company's creditors.

Secured Creditors

As advised above, Castle holds a fixed and floating charge over the Company's assets and an assignment of the Company's book debts. It is anticipated that Castle will be repaid in full from the book debts assigned to it.

Preferential Creditors

The Company's employees have been transferred to Caged Laser Engineering (SW) Limited in accordance with the sale of the business and TUPE legislation. Accordingly, no claims are anticipated to be received in the respect of the employees' wages or holiday pay.

Prescribed Part

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

50% of the first £10,000 of the net property; and
20% of the remaining net property;

up to a maximum of £600,000.

The Company gave a fixed and floating charge to Castle on 8 March 2017. It is anticipated that the balance due to Castle will be fully repaid from the fixed charge they hold over book debts. As a result, I will not have to pay them any money under their floating charge, and the prescribed part provisions will not apply.

Unsecured Creditors

There are amounts due to trade and expense creditors totalling £104,575.

The Joint Administrators have been advised that the sum of £120,000 is outstanding to HM Revenue and Customs.

ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

I attach at **Appendix IV** a summary of the receipts and payments relating to the Company for the period from when it entered Administration, 14 March 2017, to the date of these Proposals.

PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION

In order to achieve the objective of the Administration of the Company I propose to ensure that the outstanding sale consideration is paid and to assist Castle with the collection of the book debts as necessary.

DIVIDEND PROSPECTS

The Company's financial position means there are insufficient assets to enable me to pay a dividend to unsecured creditors.

EXIT ROUTE

It is intended that once the Administration has ended, the Company will proceed to dissolution.

MEETING OF CREDITORS & APPROVAL OF PROPOSALS

I am not convening a meeting of creditors as, in the Joint Administrators' opinion, it will not be possible to achieve the following objectives of an Administration set out in the insolvency legislation, which are to:

- Rescue the company as a going concern; or
- Achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration)

However, creditors whose debts amount to at least 10% of the total debts of the Company can require me to call a meeting. Such a request must be made to me on Form 2.21B within 8 business days of the date of the letter accompanying these proposals.

If creditors do not require me to convene a meeting of creditors within that time period, then my proposals will be deemed to have been approved.

Creditors are also entitled at a meeting of creditors to establish a Creditors' Committee should they so wish, provided that there are no fewer than three wishing to be represented on the Committee, which must be comprised of between three and five creditors.

PRE-APPOINTMENT FEES AND EXPENSES

Before a Company enters into any form of insolvency proceedings, professional costs are necessarily incurred in order to ensure that:

- The most suitable form of proceedings is chosen, in the interests of Creditors.
- The mechanics of initiating the proceedings and appointing an insolvency practitioner is dealt with appropriately.

The basis on which these costs are to be paid varies according to the insolvency procedure adopted. In the case of a Company entering into Administration, the Administrator must make a 'Statement of Pre-Administration Costs', the content of which is prescribed by the Insolvency Rules.

As I have already indicated, a meeting of creditors is not being convened for the purpose of agreeing my Proposals. However I will both be convening a general meeting of creditors with a view to obtaining a resolution approving pre-appointment fees and expenses, and also separately seeking the approval of the chargeholder.

My Statement of Pre-Administration Costs is set out at **Appendix V**.

In this case, further work was also done in the interests of Creditors prior to my appointment as Joint Administrator to prepare for the sale of the business and assets shortly following my appointment. It will be appreciated that, had this commercial opportunity not been available, it would have still been necessary to obtain valuations and instruct agents and solicitors to assist in disposing of the assets following my appointment, and for me to manage and oversee the asset realisation process. To that extent, these costs are not additional costs that would have been saved, had the assets been disposed of later.

JOINT ADMINISTRATORS' FEES

As already stated I am not convening a meeting of creditors for the purpose of agreeing my Proposals. However I will both be convening a general meeting of creditors with a view to obtaining a resolution approving my remuneration, and also separately seeking the approval of the chargeholders.

In this case we are seeking to fix the basis of our remuneration on a time cost basis i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates. Quantuma LLP's Schedule of Current Charge Out Rates & Chargeable Disbursements can be downloaded from <http://www.quantuma.com/guide/creditors-guide-fees/> and are also outlined at **Appendix VI**.

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval. I attach a Fee Estimate at **Appendix VI** that sets out the work that we intend to undertake, the hourly rates we intend to charge for each part of the work and the time that we think each part of the work will take to complete. It includes a summary of that information in an average or "blended" rate for all of the work being carried out within the estimate

I estimate that the total time costs that we will incur in undertaking the tasks outlined on the Fee Estimate will be Amount .

I anticipate needing to seek approval to draw fees in excess of the estimate if this work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings.

To date a total of 16 hours have been spent carrying out the work outlined above in the Administration. Total time costs to date are £2,908 charged at an average charge out rate of £185. I attach at **Appendix VI** a summary of time costs incurred to date by reference to grade of staff and work done.

Please note these time costs, which have already been incurred, are included in the Fee Estimate at **Appendix VI**

A copy of 'A Creditors' Guide to Administrators' Fees' effective from November 2015 is available on request or can be downloaded from <http://www.quantuma.com/guide/creditors-guide-fees/>. This publication provides details about how Administrators' fees may be approved and challenged.

Further information about Creditors' rights can be obtained by visiting the Creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

JOINT ADMINISTRATORS' EXPENSES & DISBURSEMENTS

Expenses do not have to be approved, but when reporting to creditors during the course of the Administration, the actual expenses incurred will be compared with the original estimate provided at **Appendix VI** and I will explain any material difference.

Details of Quantuma LLP's charging policy in relation to disbursements can be downloaded from <http://www.quantuma.com/guide/creditors-guide-fees/> and are also detailed at **Appendix VI**.

Those expenses which are classed as Category 1 disbursements, do not have to be approved, but when reporting to the Creditors during the course of the Liquidation the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences.

No Category 1 disbursements have been incurred to date.

Disbursements classed as Category 2, require specific approval. I will both be convening a general meeting of creditors with a view to obtaining a resolution approving my Category 2 disbursements, and also separately seeking the approval of the chargeholder.

To date no category 2 disbursements have been incurred.

I attach a schedule at **Appendix VI** outlining the expenses and disbursements that I anticipate will arise in these proceedings, which includes the expenses and disbursements outlined above.

DISCHARGE FROM LIABILITY

In accordance with legislation I will seek a resolution from the general body of creditors for discharge from liability in respect of any action of the Administrators to take effect 14 days following cessation to act as Administrators. Should a Committee of Creditors be formed, approval will be sought from the Committee.

The resolution will be as follows:

If the Administration ends by the Joint Administrators filing notice that the objective has been sufficiently achieved or by the Company moving into Liquidation or being dissolved, the Joint Administrators shall be discharged from liability 14 days following either the Company entering into Liquidation or filing the notice of moving from Administration to dissolution.

This resolution does not form part of our Proposals.

JOINT ADMINISTRATORS' INVESTIGATIONS

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

EC REGULATION ON INSOLVENCY PROCEEDINGS

I consider that the EC regulation on insolvency proceedings apply to the Administration of the Company. I also consider that they are "main" proceedings since the Company's registered office and its trading address are in the United Kingdom.

JOINT ADMINISTRATORS' PROPOSALS

In order to achieve the objective set out at section 3 above, the Joint Administrators, formally propose to Creditors that:

- 1 They continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that they:
 - (i) sell the Company's assets at such time(s) on such terms as we consider appropriate;
 - (ii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
 - (iii) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the

Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these Proposals

The Administration shall end where any of the following shall occur:

- 2 the Administration of the Company will end by filing notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three months after the notice is registered.
- 3 The Administration will end by the presentation of a winding up petition to the Court for the Compulsory Liquidation of the Company, and it is proposed that Carl Jackson and Simon Campbell are appointed Joint Liquidators of the Company by the Court.

N.B. Creditors may nominate a different person(s) as the proposed Liquidator(s), but must make the nomination(s) at any time after receipt of these Proposals, but before they are approved. Information about the approval of the Proposals is set out at an earlier section in this report

FURTHER INFORMATION

Creditors should note that the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Additionally the Joint Administrators are also bound by the regulations of their Licensing Bodies.

To comply with the Provision of Services Regulations, some general information about Quantuma LLP, including our complaints policy and Professional Indemnity Insurance, can be found at <http://www.quantuma.com/legal-information/>.

Should you have any queries in regard to any of the above please do not hesitate to contact Alison Broeders on 02380 336464 or by e-mail at Alison.Broeders@Quantuma.com

Yours faithfully



Carl Jackson
Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales

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The Joint Administrators are agents of the Company and act without personal liability.

The affairs, business and property of the Company are currently being managed by the Administrators

Appendix I

Caged Laser Engineering (Frome) Limited (In Administration)

Statutory Information

Statutory Information

Company Information

Company name: Caged Laser Engineering (Frome) Limited
 Previous name: None
 Trading name: Caged Laser Engineering
 Company number: 09893112
 Date of incorporation: 27/11/2015
 Trading address: Units A4&A5, Commerce Park, Frome, Somerset, BA11 2RY
 Current registered office: 14th Floor, Dukes Keep, Marsh Lane, Southampton, SO14 3EX
 Former registered office: Units A4&A5, Commerce Park, Frome, Somerset, BA11 2RY
 Principal trading activity: Manufacture of precision engineered products

Appointment Details

Administrators: Carl Jackson and Simon Campbell
 Administrators' address: Quantuma LLP
 14th Floor, Dukes Keep, Marsh Lane, Southampton, SO14 3EX
 Date of appointment: 14 March 2017
 Court name and reference: High Court of Justice, Chancery Division, Companies Court 2003 of 2017
 Appointment made by: Director - Philip Squance, Unit 5/2 Coronation Avenue, Mosman, New South Wales, Australia, 2088
 Actions of Administrators: Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

Officers of the Company

Directors:	Name: Philip Squance	Shareholding: 70%
Company Secretary:	Name: Philip Squance	Shareholding: 70%

Share capital

Authorised	Allotted, called up and fully paid
100 ordinary shares of £1 each	100 ordinary shares of £1 each

Charges

Name of Chargeholder	Nature of Charge	Date of Charge
First Capital Factors Limited	Fixed and floating	31 December 2015
Leumi ABL Limited	Fixed and floating	14 October 2016
Castle Business Finance Limited	Fixed and floating	8 March 2017

Caged Laser Engineering (Frome) Limited - In Administration ("the Company")

Disclosure Requirement in accordance with Statement of Insolvency Practice 16 ("SIP") in relation to Pre-Packaged Sales

In accordance with SIP16, I provide details regarding the sale of the Company's business and assets ("the Sale") and the events leading up to the sale.

PRE-PACKAGED SALE

The Company's business and assets have been sold following a pre-packaged sale. The primary function of an administrator is to achieve one of the objectives set out in the Insolvency Act. In this case, the statutory purpose pursued is to realise the Company's property in order to make a distribution to one or more secured or preferential creditors. This transaction enables the statutory purpose to be achieved and in my view the outcome achieved was the best available outcome for creditors as a whole in all the circumstances. I provide below an explanation and justification of why a pre-packaged sale was undertaken.

The Roles of the Insolvency Practitioners

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

During this time, the insolvency practitioners of Quantuma LLP took their own steps to prepare for their potential appointment as Joint Administrators. At this point, there were clear advantages in looking to sell the Company's business and assets swiftly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the business and assets and it would avoid the substantial risks that the value and continued viability of the business and assets which would deteriorate due to the commencement of a formal insolvency regime. Therefore, the insolvency practitioners, with the assistance of professional and independent agents, considered the most effective method of securing a sale representing the best outcome for creditors as a whole and negotiated with parties interested in acquiring the business and assets of the Company to a point whereby a sale could be concluded shortly after the Administration had commenced.

Immediately on their appointment, the Joint Administrators, as officers of the court and as agents of the Company, took over from the Board the responsibilities of managing the affairs, business and property of the Company. In the interests of the creditors as a whole and mindful of the need to achieve a statutory purpose of an Administration, they concluded the sale.

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

Initial Introductions

Quantomaa LLP was initially approached by the Company's director on 27 February 2017 to help to advise on the options available for the Company, as it was deemed to be insolvent. The director was referred to Quantuma LLP by Martin Austin, an independent finance broker.

Pre-appointment Matters

In addition to advising on the Company's options, our advice covered marketing the business and also involved negotiating and agreeing the contract to be completed following the Joint Administrators' appointment. The fee agreed in respect of my pre-appointment advice was the time costs properly incurred by staff at Quantuma LLP's standard charge out. The Joint Administrators intend to seek to have these fees approved and paid from the insolvent estate in due course.

A signed engagement letter was received from the director of the Company on 1 March 2017.

The Company traded as fabrication precision engineers from Unit A5, Southgate, Frome, BA11 2RY.

The director advised that the Company had become insolvent due to the following factors:-

- The director believed that the Company had suffered a fraud from one of its employees to the detriment of c£50k.
- It had suffered a bad debt of c£50k.
- Approximately 50% of the Company's business requires the use of an expensive laser machine which due to the large monthly rental payments had proved to be unprofitable.

The Company granted the following security:

<u>Type of security</u>	<u>Name of charge-holder</u>	<u>Date of creation of security</u>
Debenture	First Capital Factors Limited	07/06/2016
Debenture	Leumi ABL Limited	18/10/2016
Debenture	Castle Business Finance Limited	09/03/2017

All of the security granted is in respect to the Company's book debts. It is believed that First Capital and Leumi have been repaid in full.

No cash-flow was available because the Company was already at the limit of its funding. Due to the low asset base, it was not deemed appropriate to seek funding from Castle or an alternative financier as there would be insufficient security available.

The options listed below were considered with the director:

Continuing to trade outside insolvency

The Company had exhausted its available cash resources and its cash constraints were impacting on its ability to continue trading.

The Company's shareholders and financiers confirmed that they were not able to provide the level of additional funding necessary to support the Company to trade, and therefore this option was not viable.

Company Voluntary Arrangement ("CVA")

Although a CVA would have given the Company some immediate relief from creditor pressure, without securing additional funding, the directors were not confident that the Company would be successful in trading through its difficulties.

Liquidation

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

Pre-packaged Administration Sale

There was insufficient working capital and no prospect of persuading new funding to allow medium-term trading to continue in order that the business and assets could be exposed thoroughly to the market. The benefits of achieving a pre-packaged sale were the transfer of the employees and the absence of a break in supply of goods and services, which would enable a value to be achieved for goodwill and ensure a more effective debt collection process.

The Joint Administrators' Options on Appointment

Immediately prior to appointment, the proposed Joint Administrators had considered whether the first Administration purpose might be achieved by continuing to trade the business within Administration in order that a proposal for a CVA might be put to creditors. However, it was considered that trading the business during the Administration could not continue, as the Company had insufficient finance in order to do so and it was not clear that the business would trade profitably. For these reasons also, the Joint Administrators considered it would not be in the interests of creditors as a whole to continue to trade the business in Administration in the short term with a view to exploring whether the existing offer for the purchase of the business and assets could be improved upon.

The Company's major creditors, HM Revenue and Customs and Eon, were contacted and the Company's circumstances and proposed strategy were explained. The creditors did not raise objections to the proposed pre-pack strategy.

The business and assets included in the Sale were purchased by the Company from Caged Laser Engineering Limited in January 2016 and the insolvency practitioners in this matter were Neil Bennett and Alex Cadwallader of Leonard Curtis. Neither I, Carl Jackson, Quantuma LLP, nor any of our associates had any involvement in this transaction.

Marketing of the Business and Assets

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

The directors were asked to advise of any marketing conducted by the Company prior to approaching Quantuma LLP for advice and we were advised that none had been undertaken by the Company.

Agents, SIA Group (UK) Limited ("SIA"), were then instructed to market the business and assets of the Company and were advised of all known interested parties.

The Marketing Strategy

It was agreed with the agents that the marketing and media coverage would include marketing the business as widely as possible which involved advertising on the agents' website and on IP-Bid, a website which specialises in allowing insolvency practitioners to market to a range of interested parties.

Marketing was undertaken for a period of 7 days because it was advised that the employees' wages had not been paid and it was therefore considered a sale needed to be made as soon as possible to protect the value of the goodwill. I was satisfied that this length of marketing achieved the best available outcome for creditors as a whole in all the circumstances.

The reasons for the marketing and media strategy adopted were that this was considered the best way to reach as many potentially interested parties in the shortest time frame.

The marketing led to several parties expressing an interest and further information was sent to seven parties. Non-disclosure agreements were signed by four parties who were sent further information, however these parties decided not to pursue their interest at this time. The only firm offer received was from Caged Laser Engineering (SW) Limited.

The marketing strategy has achieved the best available outcome for creditors as a whole in all the circumstances because the offer received for the business is greater than the realisations than would be made had the assets been sold on a break-up basis.

Valuation of the Business and Assets

SIA were instructed on 28 February 2017 to value the business and assets of the Company. They confirmed their independence, are qualified Members of the National Association of Valuers and Auctioneers, and have adequate professional indemnity insurance.

Their valuation was received on 6 March 2017 and is detailed below:-

Fixed Charge Assets

Asset	In Situ (£)	Ex Situ (£)
Goodwill	0-5,000	nil

Floating Charge Assets

Asset	In Situ (£)	Ex Situ (£)
Office Equipment	1,550	730
Plant & Equipment	16,840	9,070
Stock	Uncertain (net book value 6,154)*	1,539
Work in Progress	Uncertain (net book value 1,540)	Nil
Order Book	Uncertain (net book value 14,271)	Nil

*Total cost price is £18,763 however it is understood that stock with a cost price of £12,609 is subject to retention of title

The goodwill has been valued and the basis of this valuation is on a going concern basis.

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

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

The Transaction

The purchaser and related parties

A sale of the business and assets was completed on 14 March 2017 with Caged Laser Engineering (SW) Limited ("the Purchaser").

Philip Squance who was a director of the insolvent Company, is a director and shareholder of the Purchaser.

The transaction is between the insolvent Company and the Purchaser only and does not impact on any related companies

We understand that Philip Squance, a Company director, had given guarantees for amounts due from the insolvent Company to a prior financier, Castle Business Finance Limited, and to my knowledge that financier is financing the new business.

The assets

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

The sale consideration

The sale consideration totalled £25,000 and required £10,000 to be paid on completion and the balance as deferred consideration.

The agreed terms of the sale are:

1. £10k paid at time of sale, £8k paid after 60 days of sale and final £7k paid after 90 days of sale.
2. No assets (other than stock) can be disposed of until the final stage payment has been received and cleared (unless prior approval obtained from the administrators). All the assets should be maintained within working order during this time.
3. Title to the assets will also not pass to the purchaser until full payment of the staged payments are received.
4. Anti-embarrassment clauses as follows:

- a. In the event, on or before 10 December 2017, the turnover of the purchaser company exceeds £400k, the purchaser shall account to the Administrators for an amount equal to 2.5% of the additional turnover over £400k.
- b. In the event that, on or before 10 December 2017, the purchaser shall sell the business to a trade buyer or all of the shares in the purchaser are sold by the owners thereof to a trade buyer or are floated on a stock exchange, then the purchaser or members shall account to the Administrators for an amount equal to 10% of the consideration received for the business or the shares (as appropriate).

SIA reviewed the offer and advised that in the absence of any other offers they recommended acceptance.

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

<i>Fixed Charge</i>	£
Goodwill (inc WIP and Order Book)	4,000
<i>Floating Charge</i>	
Office Equipment	1,550
Plant and Equipment	16,840
Stock	2,610
	<u>25,000</u>

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

There were 13 employees who were transferred as part of the Sale.

Sale consideration of £10,000 was received on completion and the remainder is to be received by way of deferred consideration and is payable as follows:-

10/05/2017	£8,000
10/06/2017	£7,000

The business and assets were secured by obtaining a personal guarantee from the purchaser's director, Philip Squance.

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

The sale is not part of a wider transaction.

Connected Party Transactions

Pre-pack pool

The proposed administrators made the proposed purchaser aware that they could approach the pre-pack pool for an independent opinion on the transaction. However, the purchaser decided not to approach the pre-pack pool.

Viability statement

The proposed administrators requested a viability statement from the connected party purchaser who has provided the following key points as to changes he will make to the business to improve its profitability going forward:

- Change to a more appropriate funder for the size of our business
- Tighter control on accounts access to prevent fraud.
- More rigorous control over staff supervision.
- Careful supplier selection
- Better cost control
- Tighter control on debtor control

Appendix III

Caged Laser Engineering (Frome) Limited

(In Administration)

**Joint Administrators' Estimate of the Financial
Position of the Company**

as at 14 March 2017

Insolvency Act 1986

**Caged Laser Engineering (Frome) Limited
Estimated Statement Of Affairs as at 14 March 2017**

	Book Value	Estimated to Realise	
	£	£	£
ASSETS			
Goodwill	NIL	4,000.00	
Book Debts	135,704.00	108,563.00	
Castle Business Finance Limited		(93,771.00)	
Surplus c/d		<u>18,792.00</u>	
 Plant and Machinery	 8,770.00	 5,384.00	
Amada Finance		<u>(5,384.00)</u>	
		NIL	NIL
 Plant and Machinery	 415,000.00	 387,130.00	
Amada Finance		<u>(387,130.00)</u>	
		NIL	NIL
Plant & Equipment	21,468.00		16,840.00
Office Furniture & Equipment	163.00		1,550.00
Stock	18,763.00		2,610.00
Surplus b/d			<u>18,792.00</u>
			<u>39,792.00</u>
 LIABILITIES			
PREFERENTIAL CREDITORS:-			
			<u>NIL</u>
			<u>39,792.00</u>
 DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			<u>NIL</u>
			<u>39,792.00</u>
 Estimated prescribed part of net property where applicable (to carry forward)			
			<u>NIL</u>
			<u>39,792.00</u>
 DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003			
			<u>NIL</u>
			<u>39,792.00</u>
 Estimated prescribed part of net property where applicable (brought down)			
			<u>NIL</u>
			<u>39,792.00</u>
 Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		104,575.43	
HM Revenue and Customs		<u>120,000.00</u>	
			<u>224,575.43</u>

Insolvency Act 1986

Caged Laser Engineering (Frome) Limited
Estimated Statement Of Affairs as at 14 March 2017

	Book Value £	Estimated to Realise £	£
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			(184,783.43)
			(184,783.43)
Issued and called up capital Ordinary Shareholders		100.00	
			100.00
TOTAL SURPLUS/(DEFICIENCY)			(184,883.43)

Caged Laser Engineering (Frome) Limited
B - Company Creditors

Key	Name	Address	£
CA00	Advanced Metal Treatments	138 Engineer Rd, Westbury, BA13 4JW	1,175 70
CA01	Amada UK Ltd	Kidderminster Industrial Estate, Spennells Valley Rd, Kidderminster, DY10 1XS	3,386 37
CB00	Benteler Distribution	New Progress Works, Crompton Way, Bolton, BL1 8TY	12,989 02
CB01	BOC	The Priestley Centre, 10 Priestley Road, The Surrey Research Park, Guildford, Surrey, GU2 7XY	1,269 62
CB02	Bristol Water	Bristol Water Plc, Bridgwater Road, Bristol, BS13 7AT	77 35
CC00	Compressor Systems (west) Ltd	Unit 5 Riverside Business Park, St Annes Road, Bristol, BS4 4ED	1,898 09
CC01	Eon	KPMG LLP, 15 Canada Square Canary Wharf, London, E14 5GL	63,880 07
CC02	Castle Business Finance	Studio B18, Kestrel Office Park, Harbour Road, Portishead, BS20 7AN	93,771 00
CH00	HM Revenue & Customs	The National Insolvency Unit, 5th Floor, Regian House, Liverpool, L74 1AD	0 00
CH01	HM Revenue & Customs	Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	120,000 00
CJ00	Just Vans South West Ltd	20a High Street, Glastonbury, Somerset, BA6 9DU	3,016 25
CJ01	JW Waste Recycling Ltd	Unit 1 Tunley Farm, Tunley, Bath, Somerset, BA2 0DL	370 20
CL00	Lincreal Precision Engineering	Brympton Way, Lynx West Trading Estate, Yeovil, Somerset, BA20 2HP	2,809 53
CM00	MSS Nitrogen Ltd	Units 9-10 Allerton Road, Rugby, Warks, CV23 0PA	3,960 00
CN00	Netitude Ltd	1 Jephson Court, Tancred Close, Leamington Spa, Warwickshire, CV31 3RZ	1,669 20
CS00	Smithpack Ltd	55 Second Avenue, The Pensnett Industrial Estate, Kingswinford, West Midlands, DY6 7XL	144 55
CT00	TubeFab Ltd	Unit 8 Sandheath Industrial Estate, Fordingbridge, Hampshire, SP6 1PA	2 520 00
CW00	Wilson Tool International Ltd	Stirling Road, Swindon, South Marston Industrial Estate, SN3 4TQ	5,409 48
RJ00			0 00
RS00	Mr Philip James Sqaunce	Unit A5 Southgate, Frome, Somerset, BA11 2RY	0 00
20 Entries Totalling			318,346.43

Appendix III

CAGED LASER ENGINEERING (FROME) LIMITED

NOTES TO THE JOINT ADMINISTRATORS' ESTIMATE OF THE FINANCIAL POSITION OF THE COMPANY

As at 14 March 2017

1. The Joint Administrators' estimate of the Financial Position of the Company does not take into account the costs of the Administration.
2. The figures contained in the Joint Administrators' estimate of the Financial Position of the Company reflects information obtained from the Company's records.
3. SIA Group (UK) Limited carried out a valuation of the assets of the company.

Appendix IV

**Caged Laser Engineering (Frome) Limited
(In Administration)**

**Joint Administrators'
Receipts and Payments Account**

Caged Laser Engineering (Frome) Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 21/03/2017

S of A £		£	£
	SECURED ASSETS		
4,000.00	Goodwill	NIL	
108,563.00	Book Debts	NIL	
			NIL
	SECURED CREDITORS		
(93,771.00)	Castle Business Finance Limited	NIL	
			NIL
	HIRE PURCHASE		
5,384.00	Plant and Machinery	NIL	
(5,384.00)	Amada Finance	NIL	
387,130.00	Plant and Machinery	NIL	
(387,130.00)	Amada Finance	NIL	
			NIL
	ASSET REALISATIONS		
16,840.00	Plant & Equipment	NIL	
1,550.00	Office Furniture & Equipment	NIL	
2,610.00	Stock	NIL	
			NIL
	UNSECURED CREDITORS		
(104,575.43)	Trade & Expense Creditors	NIL	
(120,000.00)	HM Revenue and Customs	NIL	
			NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	
			NIL
(184,883.43)			NIL
	REPRESENTED BY		NIL

Appendix V

Caged Laser Engineering (Frome) Limited (In Administration)

Pre-Administration Costs

Caged Laser Engineering (Frome) Limited ("the Company") – In Administration**Statement of Pre-Administration Costs**

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

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

Summary of the Joint Administrators' Pre-Administration Costs

The following summary sets out the pre-appointment fees and expenses incurred

	Total cost Incurred	Amount already Paid	Identify of party who made payment **	Amount Outstanding
	£	£		£
Administrators' pre-administration Remuneration (abated*)	9,035.50	0.00		9,035.50
Administrators' pre-administration Expenses:				
Legal costs	5,362.50	0.00		5,362.50
Valuation Agent's costs	4,352.75	0.00		4,352.75
Marketing	175.00	0.00		175.00
Administrators' Pre-administration Disbursements				
Category 1	12.00	0.00		12.00
Category 2	0.00	0.00		0.00
Total				£18,937.75

Information relating to Quantuma LLP's current charge out rates and policy regarding chargeable disbursements will be provided upon request or can be downloaded from <http://www.quantuma.com/guide/creditors-guide-fees/>.

Further information on each category of pre-administration cost is given below.

Pre-Administration Time Costs of the Joint Administrators

The Joint Administrators' unpaid pre-appointment time costs total £9,035.50.

The Joint Administrators' pre-appointment time costs relates to costs incurred specifically with a view to administration. These costs were all incurred on or after 27 February 2017 and in relation to the following activities:

confirming that one of the statutory objectives of administration could be achieved
negotiating a pre-packaged sale of the Company's business and assets
liaising with secured creditors, key stakeholders and major creditors
carrying out all necessary steps in order to place the Company into administration

I attach at a detailed time cost table showing the pre-appointment time costs incurred by Quantuma LLP.

The Board of the Company/Members instructed me to assist them in placing the Company into Administration on 1 March 2017. The agreement under which we incurred the pre-administration costs was Quantuma LLP's Letter of Engagement to the Company dated 28 February 2017.

They agreed that I should be paid my pre-appointment fees and expenses on a time costs basis estimated at £10,000.

None of these costs has been paid.

Pre-Administration Expenses

Details of pre-administration expenses which have been incurred with a view to the Company's administration are:

Advisor and Nature of Work	Date of Engagement	Fees £
Solicitors	2 March 2017	
Appointment		2,681.25
Purchase and Sale Agreement		2,681.25
		<u>5,362.50</u>
Agents	28 February 2017	
Valuation		4,352.75
Marketing	2 March 2017	175.00
Total		£9,890.25

We instructed Isca Solicitors to draft the Purchase and Sale Agreement with Caged Laser Engineering (SW) Limited and to deal with the steps necessary to effect our appointment at court. These pre-administration expenses have been incurred by Isca Solicitors on a time cost basis, plus disbursements.

We instructed SIA Group (UK) Limited to carry out an inventory and valuation of the Company's assets on going concern (in situ and ex situ) bases and a forced sale basis, and to advise us with respect to the offer received by the Company for its business and assets from the purchaser. These pre-administration expenses have been incurred by SIA Group (UK) Limited on a time cost basis plus a percentage of realisations, plus disbursements.

None of these expenses have been.

Pre-Administration Disbursements

We have incurred pre-administration disbursements as follows:-

	£
Category 1	
AML Searches	12.00
Total	£12.00
Category 2	
Total	£0.00

Quantuma LLP has paid the service provider but no charges have been made to the estate.

Other Persons Entitled to Claim

We are unaware of any additional costs incurred by any other professionals qualified to act as an insolvency practitioner in respect of the Company. Should any such claims subsequently come to light, they will be dealt with in the manner provided for by the Insolvency Rules.

Not Part of the Administrators' Proposals

Please note that our request for the payment of unpaid pre-administration costs as an expense of the administration is subject to approval under Rule 2.67(A) of the Insolvency Rules 1986 and does not form part of our proposals to creditors for the conduct of the administration.

Approval

As detailed in the Proposal document, a meeting of creditors is not being convened. As a result I will both be convening a general meeting of creditors with a view to obtaining a resolution approving pre-appointment fees and expenses, and also separately seeking the approval of the chargeholder..

Time Entry - SIP9 Time & Cost Summary

0001806 - Caged Laser Engineering (Frame) Limited
All Pre-Appointment Project Codes
To 14/09/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assessors & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	5.20	5.25	1.70	0.50	12.65	4,272.50	258.70
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashflow	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditor	0.00	1.00	0.00	0.40	1.40	238.00	170.00
Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Appointment	0.00	0.20	0.00	2.50	2.70	277.50	102.75
Rehabilitation of Assets	2.50	9.75	14.20	0.00	26.45	5,247.50	198.39
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	7.70	16.20	15.90	3.40	43.20	9,835.50	228.16
Total Fees Claimed						9.00	
Total Rebursements Claimed						9.00	

Appendix VI

Caged Laser Engineering (Frome) Limited (In Administration)

Information relating to Joint Administrators' Remuneration and Expenses and Fee Estimate

Caged Laser Engineering (Frome) Limited

Information relating to the Joint Administrators' Fees and Expenses

1. Overview of Case

1.1. Appointment

We were appointed Joint Administrators on 14 March 2017 following an application by Director.

1.2. Staffing

The staff that it is anticipated will be used on this assignment together with their current hourly charge out rates are outlined on the attached Fee Estimate.

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake. The sale of the business was particularly complex and required extensive involvement of the Administrators and senior staff.

1.3. Existing fee arrangements

There are no existing fee arrangements.

1.4. Anticipated return to creditors

Based on current information it is unlikely that there will be sufficient realisations to enable a distribution to unsecured creditors.

Explanation of office-holders charging and disbursement recovery policies

1.5. Time recording

As confirmed in Quantuma LLP's Schedule of Current Charge Out Rates & Chargeable Disbursements ("the Schedule"), work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge out rates can be found at the end of this document.

1.6. Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2.

Category 1 disbursements:

External supplies of incidental services specifically identifiable to the case. Where these have initially been paid by Quantuma LLP and then recharged to the estate, approval from creditors is not required.

Examples of category 1 disbursements include specific bond insurance, insurance of assets, travel (other than mileage), external room hire, stationery, storage retrieval and postage.

Category 2 disbursements:

These include elements of shared or allocated costs incurred by Quantuma LLP and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance.

Category 2 disbursements charged by Quantuma LLP can be found at the end of this document.

2. Description of work carried out

2.1. Pre-appointment

Full details of our pre-appointment costs are set out separately in Appendix V.

2.2 Post-appointment

To date a total of 15.7 hours have been spent carrying out the work outlined above in the Administration. Total time costs to date are £2,907.50 charged at an average charge out rate of £185.19.

I attach a summary of time costs incurred to date by reference to grade of staff and work done.

Please note these time costs, which have already been incurred, are included in the following Fee Estimate which outlines the work that it is anticipated will be carried out on this assignment.

3. Fee & Expense Estimate

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

The disclosure that we make should allow those being asked to approve the basis of our remuneration to understand:

- The work the Joint Administrators anticipate will be done and why that work is necessary;
- The anticipated cost of that work, including any expenses expected to be incurred in connection with it.

Sufficient information about the insolvency appointment should be provided to enable an informed judgement about the reasonableness of the request for fees. Payments to the Joint Administrators and expenses incurred should be fair and reasonable reflections of the work necessarily and properly undertaken

There are certain tasks that must be carried out on all Administrations. Although they are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors, but still have to be carried out.

Examples of such tasks that it is anticipated will arise on this Administration are as follows:

Administration and Planning

Administration & Planning
Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment
Obtaining a specific penalty bond.
Recovering & Scheduling the company's books and records.
Setting up electronic case files and electronic case details on IPS.

General Administration - Dealing with all routine correspondence and emails relating to the case.
Case strategy & completing file reviews at 1 month, 3 months & 6 months.
VAT & Corporation Tax matters and returns.

Creditors

Dealing with creditor correspondence, emails and telephone conversations.
Dealing with Pension Schemes
Committee Reporting
Committee Meetings, Minutes & liaising with Committee members
Final Reports
Creditors' Meetings
Secured Creditor Reports/Claims
Progress Reports
SIP 16 Disclosure
Para 49 Administrators' Proposals
Para 53 Report of Initial Meeting/Deemed Approval Documentation

Investigations

CDDA Reports - Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.
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Cashiering

Opening, maintaining and managing the office holders' cashbook and bank account.
Dealing with cheque requisitions
Dealing with deposit forms
Bank Reconciliations
Preparing & Filing statutory Receipts & Payments accounts

Closing Procedures

Filing final statutory returns at Companies House/Court

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

We have also provided details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.



Schedule of Current Charge Out Rates and Chargeable Disbursements

Staff Allocation & Support Staff

An objective and practical approach is taken to each case which includes active Partner involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. In accordance with the provisions of Statement of Insolvency Practice 9 (SIP 9), set out below are the current charge out rates per hour for the grades of staff employed within Quantuma LLP, exclusive of VAT.

Grade of Staff	Rate from 1 June 2016
Partner	£295.00 - £495.00
Director	£250.00 - £450.00
Senior Manager	£225.00 - £375.00
Manager	£200.00 - £250.00
Assistant Manager	£185.00 - £265.00
Senior Administrator	£175.00 - £215.00
Administrator	£150.00 - £175.00
Assistant Administrator	£100.00
Case Accountant	£125.00
Junior Administrator	£75.00 - £100.00
Support Staff/Executive Assistant	£95.00 - £125.00

Work undertaken is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. There has been no allocation of any general or overhead costs.

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

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

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

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



Subcontractors

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

Direct Expenses (Category 1 Disbursements)

Category 1 disbursements, as defined by SIP 9, are expenses which are directly referable both to the appointment in question and a payment to an independent third party at cost and without uplift.

These expenses, which do not require the prior approval of creditors, include but are not limited to the following examples:

Category	Basis of Charge
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirements
Travel	All forms other than mileage at actual cost
Room Hire	All external venues at actual cost
Stationery	At cost incurred
Storage Retrieval	At cost incurred
Postage	At cost incurred (other than for reports to creditors scheduled below)

Indirect Expenses (Category 2 Disbursements)

These are expenses that are directly referable to the appointment in question but which are not to an independent third party and may include shared or allocated costs that can be apportioned to the appointment on a proper and reasonable basis.

They may also include payment to an individual with whom a practice or individual within a practice has a business or personal relationship. Included within the list below is the cost per hour of Mr Mick Brunning, who is the husband of an individual within the practice. It is considered that the services of Mr Brunning represent best value.

Other payments made to individuals of businesses with whom the practice or individual within the practice has a business or personal relationship will be disclosed to creditors and an appropriate resolution for approval will be proposed.

Specific approval for Category 2 Disbursements is required from creditors before they can be paid.

The following indirect disbursements (Category 2 Disbursements, as defined by SIP 9) are charged to cases where appropriate on the following basis:

Category	Cost £
Photocopying, scanning and faxes (per side)	0.10
File Set Up (per file)	7.00
Company Search	10.00
Postage per Report to Creditors and Members (per report)	0.50
Reports to Members and Creditors (published on line – per report per member/creditor)	0.25
Mileage incurred as a result of necessary travel as per HMRC's approved rate (per mile)	0.45
Internal Meeting Room Hire (outside London)	65.00
Internal Meeting Room Hire (in London)	95.00
Mick Brunning – collection and listing of books and records (per hour)	10.00
Box Storage (per box for life of case)	50.00
Electronic Anti-Money Laundering Identification Search (per case) (from 1/9/16)	12.00

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. The fee arrangement for each will be disclosed in reports to creditors and these will be reviewed on a regular basis, together with the recovery or relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

VAT

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

Creditors' Rights

Information about Creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type and challenged are available in a series of guides issued with SIP 9 and can be accessed at <https://www.quantuma.com/guide/creditors-guide-fees/>. Alternatively hard copies of these documents may be requested free of charge from Quantuma LLP, Floor 14, Dukes Keep, 1 Marsh Lane, Southampton SO14 3EX.

Time Entry - SIP9 Time & Cost Summary

6001806 - Caged Laser Engineering (Frome) Limited
All Post Appointment Project Codes
To: 21/03/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	1.00	1.50	2.20	0.00	4.70	1,010.00	214.89
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	9.40	0.00	9.40	1,645.00	175.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Appointment	0.00	0.00	0.00	0.50	0.50	47.50	95.00
Realisation of Assets	0.00	0.50	0.60	0.00	1.10	205.00	186.36
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	1.00	2.00	12.20	0.50	15.70	2,907.50	185.19
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

SAGED LASER ENGINEERING (FROME) LIMITED

FEE ESTIMATE COVERING THE WHOLE PERIOD OF THE ADMINISTRATION

The office holders are seeking to be remunerated on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. In this document the estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. We have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for that category of work.

The sum of all the estimates for the different categories of work is the total estimated time costs to undertake the necessary work on the case during the Administration. Again, we have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for this period of the case's administration

The hourly charge out rates that will be used on the case are.

	£
Partner	350
Director	350
Senior Manager	250
Manager	200
Assistant Manager	250
Senior Administrator	175
Administrator	175
Assistant Administrator	175
Case Accountant	125
Junior Administrator	100
Support Staff/Executive Assistant	100

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

ADMINISTRATION & PLANNING - Note 1

Description of the Work to be undertaken

Administration & Planning
Initial Statutory and General Notifications & Filing e.g. Advertising the appointment; undertaking statutory notifications to Companies House, HMRC; the Pension Protection Fund; preparing the documentation and dealing with other notification of appointment
Obtaining a specific penalty bond.
Recovering & Scheduling the company's books and records.
Setting up electronic case files and electronic case details on IPS.
General Administration - Dealing with all routine correspondence and emails relating to the case.
Case strategy & completing file reviews at 1 month, 3 months & 6 months.
VAT & Corporation Tax matters and returns.

TOTAL

Estimated time to be taken to undertake the work (Hrs)	Estimated value of the time costs to undertake the work (£)	Blended charge out rate to undertake the work (£/Hr)
15.00	3000.00	200

Description of the Work to be undertaken	Estimated value of the time costs to undertake the work (£)		Blended charge out rate to undertake the work (£/Hr)	
	Estimated time to be taken to undertake the work (Hrs)		Estimated time to be taken to undertake the work (Hrs)	
Creditors				
ERA - completing documentation for submission to the Redundancy Payments Office ("RPO") and liaising with the RPO regarding employee claims				
Employees - obtaining information from records about employee claims and dealing with employee correspondence/calls regarding their claims				
Preparing the documentation and dealing with initial appointment notification to creditors				
Dealing with creditor correspondence, emails and telephone conversations.				
Final Reports				
Payment of Dividends - calculating, paying a dividend to creditors & issuing the declaration notice.				
Notice of Intended Dividend - issuing a notice of intended dividend to creditors and advising where appropriate				
Reviewing and adjudicating creditors' claims - adjudicating claims & requesting additional information in support of claims				
Dealing with HMRC/RPO claims				
Creditors' Meeting				
Secured Creditor Reports/Claims				
Annual/Progress Reports				
Initial Appointment Notification to Creditors - Preparing the documentation & sending out initial appointment notification to creditors				
Interim Fee Report to Creditors				
Para 49 Administrators' Proposals				
Para 53 Report of Initial Meeting/Deemed Approval Documentation				
TOTAL	35.00	7700.00	220	
INVESTIGATIONS - Note 2				
Description of the Work to be undertaken	Estimated value of the time costs to undertake the work (£)		Blended charge out rate to undertake the work (£/Hr)	
	Estimated time to be taken to undertake the work (Hrs)		Estimated time to be taken to undertake the work (Hrs)	
Investigations				
SIP 2 Review - Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.				
CDDA Reports - Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act				
Investigating & Pursuing Antecedent Transactions				
TOTAL	8.00	1760.00	220	
REALISATION OF ASSETS - Note 3				
Description of the Work to be undertaken	Estimated value of the time costs to undertake the work (£)		Blended charge out rate to undertake the work (£/Hr)	
	Estimated time to be taken to undertake the work (Hrs)		Estimated time to be taken to undertake the work (Hrs)	
Realisation of Assets -				

Plant & Machinery
Debtors
Sale of Business

	10.00	2200.00	220
TOTAL			
CASHIERING			
Description of the Work to be undertaken	Estimated time to be taken to undertake the work (Hrs)	Estimated value of the time costs to undertake the work (£)	Blended charge out rate to undertake the work (£/Hr)

Opening, maintaining and managing the Liquidators' cashbook and bank account
Dealing with cheque requisitions
Dealing with deposit forms
Bank Reconciliations
Preparing & Filing statutory Receipts & Payments accounts

TOTAL	4.00	800.00	200.00
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CLOSING PROCEDURES

Description of the Work to be undertaken	Estimated time to be taken to undertake the work (Hrs)	Estimated value of the time costs to undertake the work (£)	Blended charge out rate to undertake the work (£/Hr)
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Filing final statutory returns at Companies House/Court

TOTAL	0.50	100.00	200.00
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OVERALL SUMMARY OF WORK CATEGORIES

	Estimated total time to be taken to undertake the work (Hrs)	Estimated total value of the time costs to undertake the work (£)	Blended charge out rate to undertake the work (£/Hr)
ADMINISTRATION AND PLANNING	15.00	3000.00	200.00
CREDITORS	35.00	7700.00	220.00
INVESTIGATIONS	8.00	1760.00	220.00
ASSET REALISATIONS	10.00	2200.00	220.00
CASHIERING	4.00	800.00	200.00
CLOSING PROCEDURES	0.50	100.00	200.00
OVERALL TOTAL	72	15460.00	214.72

Note 1: Administration and planning - This represents the work that is involved in the routine administrative functions of the case by the office holders and their staff, together with the control and supervision of the work done on the case by the office holders and their managers. It does not give direct financial benefit to the creditors, but ensures that the case is managed in a professional and methodical manner and has to be undertaken by the office holders to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

Note 2: Investigations - The insolvency legislation gives the office holders powers to take recovery action in respect of what are known as antecedent transactions eg where assets have been disposed of prior to the commencement of the insolvency procedure (and also in respect of matters such as misfeasance and wrongful trading). The office holders are required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holders will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holders will provide an estimate of that benefit if an increase in fees is necessary. The office holder is unable to quantify the benefit to creditors of these investigations at present but will include such information in their statutory report to creditors once the position is clear. The office holders are also required by legislation to report to the Department for Business, Innovation and Skills on the conduct of the directors. The work to enable them to comply with these statutory obligations may also identify potential recovery actions.

Note 3: Realisation of Assets - This is the work that needs to be undertaken to realise the known assets in the case. If this work is undertaken, the office holder anticipates that the assets will realise the estimated to realise amounts provided to creditors.

Note 4: Cashiering - The office holders must ensure that estate bank accounts are opened and maintained in accordance with legislation and SIPs. Bank reconciliations are performed on all bank accounts and statutory receipts and payments accounts are filed at Companies House & Court.

Note 5: Closing Procedures - The office holders are required by statute to effect an orderly end to the case and although this has no direct financial benefit to the creditors it is necessary so that where applicable final meetings are advertised and held and final reports are filed at Companies House and Court.

CAGED LASER ENGINEERING (FROME) LIMITED**Estimate of expenses to be incurred**

Category of work	Nature of expense to be Incurred	Estimated amount of expense to be incurred £
Administration & Planning		
	Specific penalty bond	135.00
	Gazette notice of appointment	79.40
		<hr/>
Sub total for administration		214.40
Creditors		
	Copying *	216.00
	Postage	576.00
		<hr/>
Sub total for reporting to creditors		792.00
Investigations		
	Solicitors' advice costs	-
		<hr/>
Sub total for investigations		-
Total:		<hr/> <hr/> 1,006.40

Note: Category 2 Disbursements are marked with an asterisk *

Note: This estimate has been provided to creditors at an early stage of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holders' current knowledge of the case and so does not take into account any unknown complexities or difficulties. If this estimate is exceeded, or is likely to be exceeded, the office holders will provide an explanation to the creditors in the first report to creditors and provide a revised estimate.

Rule 2.37

Creditor's request for a meeting

Name of Company

Caged Laser Engineering (Frome) Limited

Company number

09893112

In the

High Court of Justice, Chancery Division,
Companies Court

(full name of court)

Court case number

2003 of 2017

(a) Insert full name and
address of the creditor
making the request

I (a)

(b) Insert full name and
address of registered
office of the companyrequest a meeting of the creditors of (b)
Caged Laser Engineering (Frome) Limited14th Floor, Dukes Keep
Marsh Lane
Southampton
SO14 3EX

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and
address(es) of creditors
concurring with the
request (if any) and their
claims in the
administration if the
requesting creditor's
claim
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of
concurrence.(e) Insert details of the
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated