

AM03

Notice of administrator's proposals



Companies House

THURSDAY



A22 *A84LVS1L* #152
02/05/2019
COMPANIES HOUSE

1 Company details

Company number 01104592

Company name in full Legsun Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Alistair

Surname Wardell

3 Administrator's address

Building name/number 11/13 Penhill Road

Street

Post town Cardiff

County/Region South Glamorgan

Postcode CF11 9UP

Country

4 Administrator's name ①

Full forename(s) Matthew E

Surname Richards

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

5 Administrator's address ②

Building name/number 30 Finsbury Square

Street

Post town London

County/Region

Postcode EC2P 2YU

Country

② Other administrator
Use this section to tell us about
another administrator.

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ¹
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

¹ You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Philip

Surname Stephenson

3 Insolvency practitioner's address

Building name/number Grant Thornton UK LLP

Street 30 Finsbury Square

Post town London

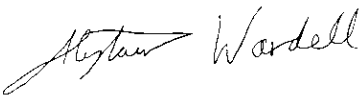
County/Region

Postcode E C 2 P 2 Y U

Country

AM03
Notice of Administrator's Proposals

| | | |
|---|---|--|
| 6 | Statement of proposals | |
| | <input checked="" type="checkbox"/> I attach a copy of the statement of proposals | |

| | | |
|------------------------------|--|--|
| 7 | Sign and date | |
| Administrator's Signature | <div>Signature</div> <div>✕  ✕</div> | |
| Signature date | <div><div><div>d</div><div>3</div><div>d</div><div>0</div></div><div><div>m</div><div>0</div><div>m</div><div>4</div></div><div><div>y</div><div>2</div><div>y</div><div>0</div><div>y</div><div>1</div><div>y</div><div>9</div></div></div> | |

Our ref: AGW/PAM/RJJ/TXA/D20597080/

To the Creditors

Recovery and Reorganisation

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

T +44 (0)161 953 6900
F +44 (0)161 953 6317

30 April 2019

Dear Sir / Madam

Ashridge Construction Limited
Churchfield Homes Limited
Dawnus Group Limited
Dawnus Construction Holdings Limited
Dawnus Developments Limited
Dawnus Limited
Dawnus Southern Limited
Legsun Limited
Quantum Geotechnical Limited - All in Administration (together the Group)

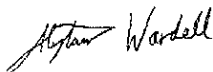
I was appointed Joint Administrator of the Group on 15 March 2019 with Matthew Richards and Philip Stephenson by a qualifying floating charge holder (in respect of DCHL) and by the directors (in respect of all other entities within the Group). Please note that we are all authorised by the Insolvency Practitioners Association to act as insolvency practitioners.

In accordance with paragraph 49(4)(b) of Schedule B1 to the Insolvency Act 1986, I enclose a copy of my statement of proposals.

Decisions of creditors are not being sought because, in accordance with paragraph 52(1) of Schedule B1 to the Insolvency Act 1986, I am of the opinion that the Group has insufficient property to enable distributions to be made to unsecured creditors other than by virtue of Section 176A of the Insolvency Act 1986.

The proposals contained in this statement will be deemed to have been approved by the creditors unless, within 8 business days of this statement being delivered, creditors whose debts amount to at least 10% by value of the total debts of the company request that the joint administrators seek a decision from the creditors as to whether they approve the proposals.

Yours faithfully
for and on behalf of the Group



Alistair Wardell
Joint Administrator

The affairs, business and property of the Group are being managed by Alistair Wardell, Matthew Richards and Philip Stephenson, appointed as joint administrators on 15 March 2019.

Our ref: AGW/PAM/RJJ/TXA/D20597080/

To the creditors

Recovery and Reorganisation

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

T +44 (0)161 953 6900
F +44 (0)161 953 6317

30 April 2019

Dear Sir / Madam

**Ashridge Construction Limited (Ashridge),
Churchfield Homes Limited (Churchfield),
Dawnus Limited (DL),
Dawnus Construction Holdings Limited (DCHL),
Dawnus Development Limited (DDL),
Dawnus Group Limited (DGL),
Dawnus Southern Limited (DSL),
Legsun Limited (Legsun) and
Quantum Geotechnical Limited (Quantum)
All In Administration (together the Group)
High Court of Justice, Business and Property Court
No's 000003, 000004, 000005, 000006, 000007, 000008, 000009, 000010 and 000245 of 2019**

1 Introduction

- 1.1 On 15 March 2019, I was appointed Joint Administrator of the Group with Matthew Richards and Philip Stephenson (the Administrators) by a qualifying floating charge holder (in respect of DCHL) and by the directors (in respect of all other entities within the Group).
- 1.2 Please note that we are all authorised by the Insolvency Practitioners Association to act as insolvency practitioners. We are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.
- 1.3 Following our appointments, we are submitting our proposals pursuant to paragraph 49(1) of Schedule B1 to the Insolvency Act 1986 for achieving the objectives of the administrations.
- 1.4 This report contains the information required by rule 3.35 of the Insolvency (England and Wales) Rules 2016.
- 1.5 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the Administrators are to be exercised by any or all of them.
- 1.6 The administration constitutes "main proceedings" under the EU Regulation on Insolvency Proceedings (article 3(1)) as the Group's registered office is and always has been in Wales and its management and principal trading activities are conducted in the United Kingdom.

2 Statutory information

2.1 A summary of the statutory details for each entity within the Group are as follows:

| | Ashridge | Churchfield | DL | DCHL | DDL | DGL | DSL | Legsun | Quantum |
|--------------------------------------|---------------|----------------|---------------------|----------------|----------------|------------------------|---------------|---------------|---------------|
| Registered number | 01579631 | 05003331 | 04378989 | 04230579 | 05265556 | 08670868 | 07597648 | 01104592 | 07782715 |
| Date of incorporation | 13/09/1981 | 06/01/2004 | 21/02/2002 | 07/06/2001 | 20/10/2004 | 02/09/2013 | 08/04/2011 | 28/03/1973 | 22/09/2011 |
| Authorised & issued share capital | 1,000 | 1 | 1,000 | 121 | 90 | 90 | 200 | 52 | 104 |
| Director and company secretary | Nicholas Down | Nicholas Down | Nicholas Down | Albert Barclay | Nicholas Down | Paul Collins | Nicholas Down | Nicholas Down | Nicholas Down |
| (with shareholdings where necessary) | Russell Evans | Timothy Lowe | Timothy Lowe | Nicholas Down | Timothy Lowe | Nicholas Down | Russell Evans | Timothy Lowe | Timothy Lowe |
| | Timothy Lowe | Matthew Morgan | Brian Dalling | Russell Evans | Andrew Peters | Russell Evans (14.44%) | Timothy Lowe | | |
| | Huw Smith | Huw Smith | Christopher Hawkins | Timothy Lowe | Matthew Morgan | Timothy Lowe (6.67%) | Huw Smith | | |
| | | | | Huw Smith | | Roger Robinson | | | |

3 Background to administrators' appointment

Background

- Ashridge – dormant, previously building and civil engineering projects
- Churchfield – development and sale of residential homes in Haverfordwest
- DL – employment entity
- DCHL – main trading construction company and employment entity
- DDL – dormant
- DGL – parent company of the other Group entities
- DSL – managed construction projects in the south region of Wales
- Legsun – electrical contracting services
- Quantum – earth material investigations business

Events leading to the appointment

- 3.1 Grant Thornton UK LLP (the Firm) was first consulted by the Group in December 2017 to assist with assessing options available for meeting forecast funding requirements. At that point, the Group was facing a cash shortfall driven principally by difficulties encountered in the delivery of specific UK contracts.
- 3.2 Following this, the Firm was engaged to assist with raising additional finance. In March 2018, the Group secured a £7 million funding injection provided jointly by HSBC Bank Plc (HSBC) and the Welsh Government (WG). The proposed repayment of this new funding was underpinned by a strategic plan designed to unwind the build-up of the historical contract work in progress (WIP) and to refinance or sell certain assets.
- 3.3 The Group realised c£7 million by refinancing or selling assets, with the recovery of historical WIP ultimately proving more challenging than expected. The Group repaid c£4 million, split equally between HSBC and WG, with HSBC and WG allowing c£3 million to be reinvested into the Group to further ease cash flow pressures.
- 3.4 The Group continued to experience a cash shortfall as underlying trading conditions in 2018 were very difficult in the construction sector, credit terms from the Group's supply were further tightened and vastly reduced turnover in its international operations during 2018, which historically had been the most profitable division.

- 3.5 On 4 December 2018, the Firm was engaged to secure a buyer or investment into the Group. Some 52 potential trade buyers and 23 distressed investors were approached during an accelerated sale process. Potential indicative offers were received from two parties for various parts of the Group. One offer was withdrawn following due diligence and the other party failed to start the due diligence process and subsequently withdrew its offer.
- 3.6 Given the absence of an investor and our knowledge of the Group's financial position, the Firm produced a letter of advice to the Directors dated 8 March 2019. Our conclusions and recommendations in respect of the financial position of the Group can be summarised as follows:
- there was a significant cash requirement in order for the Group to continue trading these businesses;
 - there appeared to be no deliverable solution to meet the cash requirement; and
 - no reasonable prospect which will avoid the Group entering into insolvency.
- 3.7 Prior to the appointment of Administrators, various incidents occurred at construction sites as a result of the uncertainty surrounding the Group's financial position and two winding up petitions were lodged by creditors of DCHL on 11 March 2019. Consequently, various actions were taken by creditors including subcontractors walking off project sites, the theft of equipment of value including the removing of vehicle trackers and disruptions to traffic at the Kingsway project in Manchester.
- 3.8 Having considered all options, it was concluded that the best route for the Group was for all entities to be placed into administration and subsequently, on 15 March 2019, the appointment of Administrators was made in accordance with paragraphs 14 and 22 of Schedule B1 to the Insolvency Act 1986.

4 Conduct of the administrations

- 4.1 The Administrators must perform their functions with the objective of:
- rescuing the company as a going concern;
 - achieving a better result for the Group's creditors, where claims rest predominantly in DCHL, as a whole than would be likely if each company were wound up, or;
 - to realise property in order to make a distribution to one or more secured or preferential creditors.
- 4.2 In this instance, it was not possible to achieve the first objective as there was no funding available to trade the business as it was loss-making, and the Group had effectively ceased prior to our appointment due to the lack of working capital. Furthermore, due to the nature of the Group's financial intra-relationship and individual financial circumstances, a Company Voluntary Arrangement was not appropriate.
- 4.3 The second objective was pursued. Unfortunately, and as stated above, no buyer for the whole of the business was found, however, placing the Group into administration has assisted with the sale of contracts and certain assets of DCHL and Quantum, collection of debtors and identifying, locating and securing plant and machinery assets.
- 4.4 The Group are closely linked in terms of their activities, security structure and intercompany positions and therefore, placing the Group entities into administration helps achieve the wider group strategy of securing and preserving the assets for the benefit of creditors as a whole. In this instance, the speed of the administration process and legal moratorium over the assets meant that the creditors' interests were preserved.
- 4.5 The Administrators also retained certain members of staff of DCHL and DL, which has assisted with locating assets, debtor collections and assisting employees who were made redundant in making claims with the Insolvency Service in respect to entitlements owing.
- 4.6 The third objective may be achieved in DCHL, DL, Quantum, DSL and Churchfield as, depending on the level of asset realisations, there may be a distribution to the secured and/or preferential creditors (where relevant).

- 4.7 If sufficient funds allow, there may be an amount available for the satisfaction of unsecured creditors, commonly referred to as the prescribed part under section 176A of the Insolvency Act 1986.

5 Assets

Strategy following appointment

- 5.1 The initial strategy undertaken by the Administrators was to:
- engage Naismith Limited (Naismiths) to appraise the contracts, contract debts, WIP and retentions to assess whether any of the contracts could be completed and assist in maximising value from the contracts held in DCHL and DSL.
 - Consider a disposal process for any parts of the business.
 - make redundant the majority of the workforce, which were either in DCHL or DL depending upon *whether they were paid monthly or weekly, due to no funding being available to continue to trade the businesses of the Group.*
 - retain 21 employees for a short period of time to assist the Administrators with the location and realisations of assets, collection of debtors and information gathering.
 - engage and liaise with ERA Solutions Limited (ERA) to assist employees with their redundancy claims.
 - engage HilCo Capital Limited (Hilco) in order to secure premises and recover and secure assets.
 - engage Credetb Limited (Credetb) to collect debts due in respect of DCHL's on-hire of plant hire business.
 - obtain a backup of the Group servers and collect books and records of the Group for investigation purposes.

Sale of contracts and certain assets – Quantum and DCHL

- 5.2 Following advice from Naismiths that it would not be commercial to complete existing construction contracts held in DCHL and DSL, and the receipt of termination notices from some customers following appointment, the Administrators had limited options to assign or complete existing construction projects. However, to date one contract has been assigned for a value of £39,000 (plus VAT), which is shown as a plant and machinery realisation for DCHL in the receipts and payments account at Appendix B.
- 5.3 On appointment the senior management team of Quantum expressed an interest in acquiring contracts and certain assets. On 5 April 2019, we sold the contracts and certain assets of Quantum for £50,000 (plus VAT) to a new entity set up for the purposes of this sale called Quantum Geotechnic Limited (QGL). The sale consideration is due to be paid prior to 31 May 2019.
- 5.4 As at the date of appointment, Quantum occupied a leased site in Llanelli. As part of the sale of the Quantum business, the Administrators have allowed QGL to occupy the site until 15 May 2019 under a licence agreement which was completed concurrently at the time of sale. The purchaser has a contractual obligation to reimburse Quantum for all associated costs with its period of occupation.
- 5.5 Aside from the monetary benefit of the sale to QGL, it has secured the ongoing employment of 44 former employees of DCHL/DL which may reduce the level of creditor claims as a result of the Transfer of Undertakings (Protection of Employment) Regulations (commonly referred to as "TUPE"). Furthermore, we anticipate it will maximise Quantum's debtor recoveries as QGL will be assisting with the collection during its ordinary course of business.
- 5.6 With the exception of Quantum, there was no prospect of achieving a sale of any business or associated assets within the Group. The Administrators subsequently directed their focus to a winding up strategy with a piecemeal disposal of the balance of Group assets.

Sale of assets – DCHL

- 5.7 We also sold certain assets of DCHL to a third party known to QGL for £275,000 (plus VAT). These funds have been paid in full, however £231,032 was utilised to repay the finance attributable to these assets, leaving a net surplus of c£44,000 (plus VAT).
- 5.8 A further sale of DHCL assets has occurred since appointment to an entity associated with Dawnus International Limited which, whilst not in administration, is an entity related to the Group by common directorships. This sale consisted of the majority of the plant and machinery, which was located overseas in Sierra Leone, and following a recommendation from Hilco, was sold for £1.65 million (plus VAT and local taxes if relevant) with £150,000 paid on completion on 17 April 2019 and £1.5 million due over ten equal monthly instalments thereafter.
- 5.9 Of the £1.65m, approximately £178,000 is secured equally by the chattel mortgage to HSBC and WG.
- 5.10 The title of all machinery will not pass to the buyer until all sums have been paid however all risk has passed including the requirement to maintain insurance.
- 5.11 Aside from the monetary benefit of the sale to the entity associated with Dawnus International Limited, it has secured the ongoing employment of 38 former employees of DCHL/DL which may reduce the level of creditor claims in accordance with the TUPE regulations.

Long leasehold properties - DL

- 5.12 DL is the registered owner of two long leasehold properties, the head office based in Swansea and the plant storage yard, formerly Clydach Market.
- 5.13 Following receipt of proposals from three agents, we instructed Alder King LLP (Alder King) to assist with marketing and disposing of the long leasehold properties.

Property subject to charge – DCHL

- 5.14 DCHL has a registered charge over a residential property in Colwinston, South Wales, relating to an interest free loan totalling £300,000 provided to an employee.
- 5.15 We understand that this property has been sold subject to contract and it is anticipated that a sale will complete shortly. Upon its sale, DHCL will receive repayment of £300,000 plus accrued interest from the date of default to the date of completion which is currently estimated at c£50,000.

Residential development site – Churchfield

- 5.16 Churchfield owns six completed properties in Johnston, Haverfordwest, along with development land of approximately four acres with planning permission for approximately 60 further residential lots.
- 5.17 Churchfield also invested in the shared equity scheme where it retained 15% of the equity of approximately 15 completed homes. These homes were sold prior to the administration.
- 5.18 Prior to our appointment, ATEB (a Pembrokeshire Housing Association), was interested in purchasing the completed homes, however, withdrew its offer due to issues surrounding the bond drainage agreement with the local council. We have engaged with ATEB since appointment who remain interested in purchasing the completed homes. We have also engaged with another party who has also expressed an interest.
- 5.19 Alder King has been engaged to assist with the marketing and sale of the four acres of undeveloped land only, however, should a sale not eventuate with ATEB or any other interested party in the short term, it will also be engaged to assist with the sale of the six completed homes.

Leasehold premises - DCHL

- 5.20 DCHL leased nine sites in various locations across the UK. We have secured all sites, recovered assets and collected books and records.

- 5.21 DCHL continues to occupy a site in Port Talbot as overflow storage for plant and machinery.
- 5.22 The remaining sites have been vacated and the landlords have been contacted to request a surrender of their respective leases.

Plant, machinery and stock – DCHL, DSL and Legsun

- 5.23 Below is a summary of the plant, machinery and vehicles showing the book values (BV) and what the directors' estimate those to realise (ERV) as outlined in their statement of affairs:

Summary of plant, machinery and stock

| £'000 | DCHL | | DSL | | Legsun | | Total | |
|--|---------------|---------------|-----------|-----------|-----------|----------|---------------|---------------|
| | BV | ERV | BV | ERV | BV | ERV | BV | ERV |
| Assets subject to HP | 11,419 | 10,419 | 13 | 13 | - | - | 11,432 | 10,432 |
| Assets subject to chattels mortgage | 622 | 622 | - | - | - | - | 622 | 622 |
| Unencumbered plant, machinery and vehicles | 5,492 | 2,992 | - | - | 54 | - | 5,546 | 2,992 |
| Stock | 4,794 | 1,794 | - | - | - | - | 4,794 | 1,794 |
| Total | 22,327 | 15,827 | 13 | 13 | 54 | - | 22,394 | 15,840 |

- 5.24 The Administrators have engaged Hilco to assist with the realisation of plant and machinery, stock and vehicles.
- 5.25 With the exception of the sale of assets relating to the entity associated with QGL and entity related to Dawnus International Limited above, the remainder of the UK plant and machinery is shortly due to be placed into auction.
- 5.26 There is still a quantity of plant and machinery located in Liberia and Sierra Leone, some of which is subject to the lenders security and we are currently working with Hilco on a strategy to dispose of the remaining equipment

Debtors, WIP and retentions – DCHL, DSL and Quantum

- 5.27 Debtors relate to completed work which had been invoiced prior to the appointment of Administrators. The majority of the debtors relate to construction contracts (DCHL, DSL and Quantum) with the balance relating to activities such as plant hire (DCHL only).
- 5.28 DCHL and DSL have work in progress (WIP) relating to work which has not yet been completed and retentions on prior projects not yet due or in dispute.
- 5.29 Below is a summary of the debtors, WIP and retentions showing the BV and ERV as outlined in their statement of affairs:

Summary of debtors, WIP and retentions

| £000 | Ashridge | | Churchfield | | DCHL | | DGL | | DSL | | Legsun | | Quantum | | Total | |
|------------------------------|----------|----------|-------------|----------|---------------|---------------|------------|------------|------------|------------|--------------|----------|--------------|--------------|---------------|---------------|
| | BV | ERV | BV | ERV | BV | ERV | BV | ERV | BV | ERV | BV | ERV | BV | ERV | BV | ERV |
| Trade debtors | - | - | - | - | 5,908 | 4,997 | - | - | - | - | - | - | 2,972 | 872 | 8,880 | 5,869 |
| Other debtors | - | - | 58 | - | 1,184 | 292 | 636 | 636 | 34 | - | 33 | - | 69 | - | 2,014 | 928 |
| WIP subject to fixed charges | - | - | - | - | 4,822 | 1,956 | - | - | 443 | 300 | - | - | - | - | 5,265 | 2,256 |
| WIP and retentions | 5 | - | - | - | 19,164 | 12,386 | - | - | - | - | 1,488 | - | 773 | 527 | 21,430 | 12,913 |
| Total debtors | 5 | - | 58 | - | 31,078 | 19,641 | 636 | 636 | 477 | 300 | 1,521 | - | 3,814 | 1,399 | 37,589 | 21,976 |
| Collections to date | - | - | - | - | (205) | - | - | - | - | - | - | - | (102) | - | (307) | - |
| Outstanding debtors | - | - | - | - | 19,436 | 19,641 | 636 | 636 | 477 | 300 | 1,521 | - | 1,297 | 1,399 | 37,282 | 21,976 |

- 5.30 Whilst we are aware of a number of counter claims and disputes in respect to monies owing and work completed, we are not in a position to provide any further information at this stage so as to not prejudice further collections.
- 5.31 The Administrators have engaged quantity surveyors, Naismiths, to assist with collections relating to the construction contracts.

- 5.32 Due to the nature of the DCHL and DSL contracts, collections of these debtors may take up to two years.
- 5.33 DCHL had a further c£500,000 of book debts relating to the hire of its plant and machinery to third parties. We have instructed Credent to assist in the collection of these debts.

Pre-appointment litigation

- 5.34 We are aware of eight possible legal actions that DCHL/DSL were pursuing prior to our appointment. We are liaising with the pre-appointment solicitor to determine whether any claims are viable to further continue to pursue.

Cash at bank - Churchfield

- 5.35 At the time of our appointment, there was £400,000 in Churchfield's bank account. In their statement of affairs, the directors have assumed that this will be fully recoverable by the Administrators, however, this amount has been offset by HSBC against its outstanding debt in accordance with its facility agreement.

Cash in escrow- DCHL

- 5.36 At the time of our appointment, there was c£1.8 million held by HSBC in an escrow account. Our investigations are continuing in respect this amount and who the ultimate beneficiary of these monies is as there are complexities surrounding whether these funds are secured pursuant to fixed charges held by HSBC and WG.

Intercompany debtors

- 5.37 Below is a summary of intercompany position of the Group:

Summary of intercompany position (£'000)

| Amount owed from related entities to: | Ashridge | DCHL | DDL | DGL |
|---------------------------------------|----------|--------|-------|-----|
| | 2,066 | 17,800 | 1,297 | 304 |

- 5.38 As all of the entities in the Group are insolvent, it is uncertain whether there will be any realisations in respect to these receivables except from Prescribed Part distributions. These claims will rank as unsecured creditors in each estate.

Tax refunds

- 5.39 According to the statement of affairs, the Group has the following tax receivables:

Summary of tax assets

| £'000 | DL | DCHL | DGL | Legsun | Quantum | Total |
|------------------------|-----------|--------------|----------|------------|-----------|--------------|
| Corporation tax | - | 99 | - | - | - | 99 |
| Deferred tax provision | 44 | 2,091 | 2 | 189 | 23 | 2,349 |
| Total | 44 | 2,190 | 2 | 189 | 23 | 2,448 |

- 5.40 As the directors' have indicated, we are of the opinion that these are not assets that are realisable.

6 Investigations – all Group entities

- 6.1 We are investigating further matters which may result in further recoveries and actions.
- 6.2 We will be pleased to receive from any creditor any useful information concerning the affairs of any entity within the Group or their respective dealings/conduct which may assist us in our investigations.

7 Statement of affairs

- 7.1 The directors' statement of affairs for each entity within the Group is summarised at Appendix A.
- 7.2 Appendix A includes details of the prescribed part of the net property of the Group under section 176A of the Insolvency Act 1986, being the amount available for the satisfaction of unsecured liabilities. The net property for the Group as outlined in the directors' statement of affairs is estimated to be £27.5 million and the prescribed part £600,000 for DCHL, although, this does not take into account the costs of the administration of DCHL.

8 Receipts and payments account

- 8.1 Our receipts and payments accounts covering the period 15 March 2019 to 22 April 2019 are attached at Appendix B.
- 8.2 Please note that, as there have been insufficient realisations into the estates to date, DCHL has funded payments of certain other Group estates' expenses necessary to progress the cases to comply with statute. This is shown by way of loan accounts in the receipts and payments accounts attached at Appendix B. These loans will be repayable as expenses of the administrations in each entity in the same priority that attaches to the respective expenses comprising the loans.

9 Outcome for creditors

Secured creditors

- 9.1 Below is a summary of the secured creditors, including the potential outcome for each based on current estimates:

Summary of secured creditors

| | Dates of creation of charges | Types of charges | Debt outstanding at date of appointment | Potential outcome based on current information |
|---|--|---|---|--|
| Welsh Government | 27/03/2018 | Debtenture and chattels mortgage | TBC | There may be sufficient realisations to enable a distribution but Welsh Government may suffer shortfall |
| HSBC Equipment Finance (UK) Limited ("HEF") | 16/03/2018 02/08/2018 | Debtenture Chattels mortgage | Awaiting outcome of asset sales | HEF has instructed an agent to dispose of its equipment and may make a recovery in full subject to those disposals |
| HSBC Bank Plc | 01/08/2017, 04/08/2017, 02/02/2018, 16/02/2018, 16/03/2018 | Legal mortgage, debtenture, chattel mortgage, benefits of certain contracts and security of cash deposits | TBC | There may be sufficient realisations to enable a distribution but HSBC may suffer shortfall |
| Lloyds Bank Plc | 02/02/2018 | Mortgage | £1.3 million | Payment in full |

Preferential creditors

- 9.2 Preferential creditor claims consist of employee claims for wages and holiday pay up to certain statutory limits. It is anticipated that a significant element of these claims will be subrogated to the Secretary of State, following payments of claims by the Redundancy Payments Service.
- 9.3 We estimate preferential claims to be c£290,000 for DCHL and c£690,000 for DL. These claims may reduce pursuant to the TUPE regulations due to the Quantum and Dawnus International sales outlined above and any subsequent transfer of entitlements.
- 9.4 It is estimated that the preferential creditors of DCHL will be paid in full however there will be no funds available in DL in order to make a distribution.

Prescribed part

- 9.5 Appendix A includes details of the prescribed part of the net property of the Group under section 176A of the Insolvency Act 1986, being the amount available for the satisfaction of unsecured liabilities. Based on current estimates, there may be funds available to enable a prescribed part distribution for DCHL, DSL and Quantum.

Unsecured creditors

- 9.6 According to the books and records, the unsecured creditors of the Group can be summarised as follows:

Summary of unsecured creditors

| £'000 | Ashridge | Churchfield | DL | DCHL | DDL | DGL | DSL | Legsun | Quantum | Total |
|------------------------|-----------|--------------|--------------|---------------|----------|------------|--------------|--------------|--------------|---------------|
| Trade creditors | 85 | - | 60 | 38,309 | - | 131 | 1,644 | 236 | 7 | 40,472 |
| HMRC - PAYE / NI | - | - | 652 | 272 | - | - | - | - | - | 924 |
| HMRC - VAT | - | - | - | 2,148 | - | - | - | - | - | 2,148 |
| Directors' loans | - | - | - | - | - | 667 | - | - | - | 667 |
| Employee claims | - | - | 3,774 | 1,238 | - | - | - | - | - | 5,012 |
| Intercompany | - | 3,685 | 140 | - | - | - | 4,662 | 8,657 | 4,380 | 21,524 |
| Unsecured claim | 85 | 3,685 | 4,626 | 41,967 | - | 798 | 6,306 | 8,893 | 4,387 | 70,747 |

- 9.7 Except for any contribution made under the prescribed part mentioned above and based on current estimates, it is highly unlikely there will be sufficient funds to enable a distribution to unsecured creditors.

10 Proposals for achieving the objective of the administration

- 10.1 The primary issues to be dealt with in the administrations of the Group are to:

- deal with statutory matters in relation to the appointments
- work alongside:
 - Naismiths to recover WIP and contract debtors
 - Credetb to recover plant hire debts
 - Hilco to recover, secure and dispose of the balance of plant and machinery located in the UK and in Africa
- investigate antecedent transactions
- finalise a review of the litigation initiated prior to the appointment of the Administrators to determine whether they are commercially viable to pursue
- distributions to creditors (preferential and unsecured) if asset realisations allow

- 10.2 This will be pursued with the purpose of achieving a better result as a whole than would be likely if the entities within the Group were wound up.
- 10.3 It is proposed that the administrations continue for as long as necessary in order to deal with the assets and liabilities as detailed in this report and to achieve a more advantageous realisation of assets.
- 10.4 At this stage, it is likely that the process for some Group entities may take in excess of 12 months to fully conclude and, if so, an extension will be sought from the relevant body of creditors.
- 10.5 It is proposed that the Administrations will end by the dissolution of the Group. If more time is needed to complete realisations after any extension of the administrations, the Administrators may present a petition to wind up the Group and then seek their appointment as Liquidators.
- 10.6 As there will only be a prescribed part to distribute to the unsecured creditors, it is proposed that the administrator will agree the claims of the creditors and distribute these funds in the course of the administration. The administration is likely to require an extension beyond the initial period of one year for this purpose. When all funds have been realised and distributed, the administration will end by the administrators filing a notice to dissolve the company. The administrators will nevertheless be empowered to present a petition for the winding up of the company if circumstances require.

- 10.7 If it becomes apparent that sufficient funds are available to make a distribution to unsecured creditors, the administrations would end by the respective entity going into creditors' voluntary liquidation. If the respective entity or entities are placed into creditors' voluntary liquidations, it is proposed that the Administrators in office at that date will be appointed Liquidators. However, creditors may nominate a different Liquidator or Liquidators if nomination to that effect is received before the approval of these proposals.

11 Administrators' remuneration and disbursements

- 11.1 The basis of the Administrators' remuneration is to be fixed by the creditors. If a creditors committee is appointed, then this is a matter for the committee. If no committee is appointed, then as we are of the opinion that each entity in the Group has insufficient property to enable any distribution to be made to unsecured creditors other than by virtue of section 176A of the Insolvency Act 1986, approval will be obtained from the secured and preferential creditors.
- 11.2 Pre-administration costs unpaid at the date of appointment of the Administrators may also be approved as above under rule 3.52 to rank as an expense of the administration. Approval of the statement of proposals does not constitute approval either of the Administrators' remuneration or of unpaid pre-administration costs.
- 11.3 We propose that the remuneration of the Administrators be fixed on the following basis:
- time properly spent by the Administrators and their staff
 - 30% of gross recoveries of any additional assets or claims which are not yet known and may arise following our investigations (e.g. any antecedent transactions). For the avoidance of doubt, we will not include an estimate for these such time costs in our fees estimate in Appendix C
- 11.4 Please see Appendix C for details of our remuneration, expenses and payments made to associates in accordance with Statement of Insolvency Practice 9.

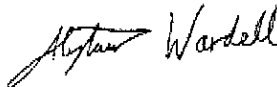
12 Decision of creditors

- 12.1 A decision of the creditors is not required because, in accordance with paragraph 52(1) of Schedule B1 to the Insolvency Act 1986, we are of the opinion that each entity within the Group has insufficient property to enable any distribution to be made to unsecured creditors other than by virtue of section 176A of the Insolvency Act 1986.
- 12.2 The proposals contained in this statement will be deemed to have been approved by the creditors unless, within eight business days of this statement being sent out, creditors whose debts amount to at least 10% by value of the total debts of the company request that the Administrators seek a decision from the creditors as to whether they approve the proposals.

13 Data Protection

- 13.1 Any personal information held by the company will continue to be processed for the purpose of the administration and in accordance with the requirements of Data Protection law.

Yours faithfully
for and on behalf of the Group



Alistair Wardell
Joint Administrator

The affairs, business and property of Group are being managed by Alistair Wardell, Matthew Richards and Philip Stephenson, appointed as joint Administrators on 15 March 2019.

Statement of Affairs

Statement as to affairs of **Quantum Geotechnical Limited** as at **15 March 2019**

Company number : 07782715

Statement of Truth

I believe that the facts stated in this statement of the affairs are true

Full name Timothy Alan Lowe

Signed Tham

Dated 21/04/19

A – Summary of Assets

Assets

| | Book Value £ | Estimated to Realise £ |
|---|--------------------|------------------------------|
| Assets subject to fixed charge: | | |
| Fixed Assets | 0 | 0 |
| WIP | 0 | 0 |
| Cash | 0 | 0 |
| Payments to fixed Charge holders | 0 | 0 |
| Assets subject to floating charge: | | |
| Fixed Assets | 0 | 0 |
| WIP and Retentions | 773,345 | 527,408 |
| Cash | 0 | 0 |
| Trade Debtors | 2,971,846 | 871,846 |
| Other Debtors | 68,656 | 0 |
| Intercompany receivables | 0 | 0 |
| Investments | 0 | 0 |
| Stock | 0 | 0 |
| Taxation assets | 23,738 | 0 |
| Uncharged assets | 0 | 0 |
| | 3,837,585 | 1,400,050 |

Estimated total assets available for preferential creditors

Signature Thave Date 21/04/19

A1 – Summary of Liabilities

| | | Estimated to realise £ |
|--|---------------|------------------------------|
| Estimated total assets available for preferential creditors (carried from page A) | £ | 1,400,050 |
| Liabilities | | |
| Preferential creditors:- | £ 0 | |
| Estimated deficiency/surplus as regards preferential creditors | £ | 1,400,050 |
| Estimated prescribed part of net property where applicable (to carry forward) | £ 0 | |
| Estimated total assets available for floating charge holders | £ | 1,400,050 |
| Debts secured by floating charges | £ 0 | |
| Estimated deficiency/surplus of assets after floating charges | £ | 1,400,050 |
| Estimated prescribed part of net property where applicable (brought down) | £ 0 | |
| Total assets available to unsecured creditors | £ | 1,400,050 |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | £ (4,387,091) | |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | £ | (2,987,042) |
| Shortfall to floating charge holders (brought down) | £ 0 | |
| Estimated deficiency/surplus as regards creditors | £ | (2,987,042) |
| Issued and called up capital | £ (1) | |
| Estimated total deficiency/surplus as regards members | £ | (2,987,043) |

Signature Ther Date 21/04/19

Statement of Affairs

Statement as to affairs of **Legsun Limited** as at **15 March 2019**

Company number : 01104592

Statement of Truth

I believe that the facts stated in this statement of the affairs are true

Full name TIMOTHY AUN LOWE

Signed Thave

Dated 21/03/19

A – Summary of Assets

Assets

Assets subject to fixed charge:

Fixed Assets

WIP

Cash

Payments to fixed Charge holders

Assets subject to floating charge:

Fixed Assets

WIP and Retentions

Cash

Trade Debtors

Other Debtors

Intercompany receivables

Investments

Stock

Taxation assets

Uncharged assets

| Book Value £ | Estimated to Realise £ |
|-----------------|---------------------------|
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 53,836 | 0 |
| 1,487,852 | 0 |
| 0 | 0 |
| 0 | 0 |
| 32,977 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 188,906 | 0 |
| 0 | 0 |
| 1,763,573 | 0 |

Estimated total assets available for preferential creditors

Signature

Theave

Date

21/04/19

A1 – Summary of Liabilities

| | | Estimated to realise |
|--|---------------|-------------------------|
| | £ | £ |
| Estimated total assets available for preferential creditors (carried from page A) | £ | 0 |
| Liabilities | | |
| Preferential creditors:- | £ | 0 |
| Estimated deficiency/surplus as regards preferential creditors | £ | 0 |
| Estimated prescribed part of net property where applicable (to carry forward) | £ | 0 |
| Estimated total assets available for floating charge holders | £ | 0 |
| Debts secured by floating charges | £ | 0 |
| Estimated deficiency/surplus of assets after floating charges | £ | 0 |
| Estimated prescribed part of net property where applicable (brought down) | £ | 0 |
| Total assets available to unsecured creditors | £ | 0 |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | £ (6,893,116) | |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | £ | (6,893,116) |
| Shortfall to floating charge holders (brought down) | £ | 0 |
| Estimated deficiency/surplus as regards creditors | £ | (6,893,116) |
| Issued and called up capital | £ (50) | |
| Estimated total deficiency/surplus as regards members | £ | (6,893,166) |

Signature

Thave

Date

21/04/19

Statement of Affairs

Statement as to affairs of **Dawnus Southern Limited** as at **15 March 2019**

Company number : 07597648

Statement of Truth

I believe that the facts stated in this statement of the affairs are true

Full name TIMOTHY RYAN LOWE

Signed Thove

Dated 21/04/19

A – Summary of Assets

Assets

| | Book Value £ | Estimated to Realise £ |
|---|--------------------|------------------------------|
| Assets subject to fixed charge: | | |
| Fixed Assets | 13,474 | 13,474 |
| WIP | 443,145 | 300,000 |
| Cash | 0 | 0 |
| Payments to fixed Charge holders | (313,474) | (313,474) |
| Assets subject to floating charge: | | |
| Fixed Assets | 0 | 0 |
| WIP and Retentions | 0 | 0 |
| Cash | 0 | 0 |
| Trade Debtors | 0 | 0 |
| Other Debtors | 34,234 | 0 |
| Intercompany receivables | 0 | 0 |
| Investments | 0 | 0 |
| Stock | 0 | 0 |
| Taxation assets | 0 | 0 |
| Uncharged assets | 0 | 0 |

Then 21/04/19

A1 – Summary of Liabilities

| | | Estimated to realise |
|--|---------------|-------------------------|
| | £ | £ |
| Estimated total assets available for preferential creditors (carried from page A) | £ 0 | |
| Liabilities | | |
| Preferential creditors:- | £ 0 | |
| Estimated deficiency/surplus as regards preferential creditors | £ 0 | |
| Estimated prescribed part of net property where applicable (to carry forward) | £ 0 | |
| Estimated total assets available for floating charge holders | £ 0 | |
| Debts secured by floating charges | £ 0 | |
| Estimated deficiency/surplus of assets after floating charges | £ 0 | |
| Estimated prescribed part of net property where applicable (brought down) | £ 0 | |
| Total assets available to unsecured creditors | £ 0 | |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | £ (6,306,109) | |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | £ (6,306,109) | |
| Shortfall to floating charge holders (brought down) | £ 0 | |
| Estimated deficiency/surplus as regards creditors | £ (6,306,109) | |
| Issued and called up capital | £ (100) | |
| Estimated total deficiency/surplus as regards members | £ (6,306,209) | |

Signature

Thou

Date

21/04/19

Statement of Affairs

Statement as to affairs of **Dawnus Limited** as at **15 March 2019**

Company number : 04378989

Statement of Truth

I believe that the facts stated in this statement of the affairs are true

Full name TIMOTHY ALUN LOWE

Signed Thane

Dated 21/04/19

A – Summary of Assets

Assets

Assets subject to fixed charge:

| | Book Value £ | Estimated to Realise £ |
|----------------------------------|--------------------|------------------------------|
| Fixed Assets | 4,006,119 | 2,006,119 |
| WIP | 0 | 0 |
| Cash | 0 | 0 |
| Payments to fixed Charge holders | (1,251,250) | (1,251,250) |

Assets subject to floating charge:

| | | |
|--------------------------|--------|-----------|
| Fixed Assets | 0 | 0 |
| WIP and Retentions | 1,058 | 0 |
| Cash | 0 | 0 |
| Trade Debtors | 0 | 0 |
| Other Debtors | 0 | 0 |
| Intercompany receivables | 0 | Uncertain |
| Investments | 0 | 0 |
| Stock | 0 | 0 |
| Taxation assets | 43,583 | 0 |
| Uncharged assets | 0 | 0 |

| Book Value £ | Estimated to Realise £ |
|--------------------|------------------------------|
| 4,006,119 | 2,006,119 |
| 0 | 0 |
| 0 | 0 |
| (1,251,250) | (1,251,250) |
| 0 | 0 |
| 1,058 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | Uncertain |
| 0 | 0 |
| 0 | 0 |
| 43,583 | 0 |
| 0 | 0 |
| 2,799,510 | 754,869 |

Estimated total assets available for preferential creditors

Signature Thore Date 21/04/19

A1 – Summary of Liabilities

| | | Estimated to realise £ |
|--|---------------|------------------------------|
| Estimated total assets available for preferential creditors (carried from page A) | £ | 754,869 |
| Liabilities | | |
| Preferential creditors:- | £ (947,366) | |
| Estimated deficiency/surplus as regards preferential creditors | £ | (192,497) |
| Estimated prescribed part of net property where applicable (to carry forward) | £ 0 | |
| Estimated total assets available for floating charge holders | £ | (192,497) |
| Debts secured by floating charges | £ 0 | |
| Estimated deficiency/surplus of assets after floating charges | £ | (192,497) |
| Estimated prescribed part of net property where applicable (brought down) | £ 0 | |
| Total assets available to unsecured creditors | £ | (192,497) |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | £ (4,625,868) | |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | £ | (4,818,365) |
| Shortfall to floating charge holders (brought down) | £ 0 | |
| Estimated deficiency/surplus as regards creditors | £ | (4,818,365) |
| Issued and called up capital | £ (100,000) | |
| Estimated total deficiency/surplus as regards members | £ | (4,918,365) |

Signature

Thave

Date

21/04/19

Statement of Affairs

Statement as to affairs of **Dawnus Group Limited** as at **15 March 2019**

Company number : 08670888

Statement of Truth

I believe that the facts stated in this statement of the affairs are true

Full name TIMOTHY ALAN LOWE

Signed Thowe

Dated 21/04/19

A – Summary of Assets

Assets

Assets subject to fixed charge:

Fixed Assets

WIP

Cash

Payments to fixed Charge holders

Assets subject to floating charge:

Fixed Assets

WIP and Retentions

Cash

Trade Debtors

Other Debtors

Intercompany receivables

Investments

Stock

Taxation assets

Uncharged assets

| Book Value £ | Estimated to Realise £ |
|-----------------|---------------------------|
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 636,252 | 636,252 |
| 303,975 | Uncertain |
| 0 | 0 |
| 0 | 0 |
| 1,296 | 0 |
| 0 | 0 |
| 941,523 | 636,252 |

Estimated total assets available for preferential creditors

Signature

Thave

Date

21/04/19

A1 – Summary of Liabilities

| | | Estimated to realise £ |
|--|-------------|------------------------------|
| Estimated total assets available for preferential creditors (carried from page A) | £ | 636,252 |
| Liabilities | | |
| Preferential creditors:- | £ 0 | |
| Estimated deficiency/surplus as regards preferential creditors | £ | 636,252 |
| Estimated prescribed part of net property where applicable (to carry forward) | £ 0 | |
| Estimated total assets available for floating charge holders | £ | 636,252 |
| Debts secured by floating charges | £ 0 | |
| Estimated deficiency/surplus of assets after floating charges | £ | 636,252 |
| Estimated prescribed part of net property where applicable (brought down) | £ 0 | |
| Total assets available to unsecured creditors | £ | 636,252 |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | £ (797,934) | |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | £ | (161,682) |
| Shortfall to floating charge holders (brought down) | £ 0 | |
| Estimated deficiency/surplus as regards creditors | £ | (161,682) |
| Issued and called up capital | £ (90) | |
| Estimated total deficiency/surplus as regards members | £ | (161,772) |

Signature Thave Date 21/04/19

Statement of Affairs

Statement as to affairs of Churchfield Homes Limited as at 15 March 2019

Company number : 05006331

Statement of Truth

I believe that the facts stated in this statement of the affairs are true

Full name TIMOTHY ANN LOUIE

Signed Thane

Dated 21/04/19

A – Summary of Assets

Assets

Assets subject to fixed charge:

Fixed Assets

0

0

WIP

0

0

Cash

399,985

399,985

Payments to fixed Charge holders

(399,985)

(399,985)

Assets subject to floating charge:

Fixed Assets

0

0

WIP and Retentions

3,214,290

1,014,290

Cash

0

0

Trade Debtors

0

0

Other Debtors

58,028

0

Intercompany receivables

0

0

Investments

194,050

174,645

Stock

0

0

Taxation assets

0

0

Uncharged assets

0

0

3 466 367

1 188 936

Then

21/04/19

A1 – Summary of Liabilities

| | | Estimated to realise £ |
|--|---------------|------------------------------|
| Estimated total assets available for preferential creditors (carried from page A) | £ | 1,188,936 |
| Liabilities | | |
| Preferential creditors:- | £ 0 | |
| Estimated deficiency/surplus as regards preferential creditors | £ | 1,188,936 |
| Estimated prescribed part of net property where applicable (to carry forward) | £ 0 | |
| Estimated total assets available for floating charge holders | £ | 1,188,936 |
| Debts secured by floating charges | £ 0 | |
| Estimated deficiency/surplus of assets after floating charges | £ | 1,188,936 |
| Estimated prescribed part of net property where applicable (brought down) | £ 0 | |
| Total assets available to unsecured creditors | £ | 1,188,936 |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | £ (3,684,992) | |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | £ | (2,496,056) |
| Shortfall to floating charge holders (brought down) | £ 0 | |
| Estimated deficiency/surplus as regards creditors | £ | (2,496,056) |
| Issued and called up capital | £ (1) | |
| Estimated total deficiency/surplus as regards members | £ | (2,496,057) |

Signature Thave Date 21/04/19

Statement of Affairs

Statement as to affairs of **Dawnus Construction Holdings Limited** as at

15 March 2019

Company number : 04230579

Statement of Truth

I believe that the facts stated in this statement of the affairs are true

Full name TIMOTHY AUN LOWE

Signed Thave

Dated 21/04/19

A – Summary of Assets

Assets

| | Book Value £ | Estimated to Realise £ |
|---|--------------------|------------------------------|
| Assets subject to fixed charge: | | |
| Fixed Assets | 12,041,211 | 11,041,211 |
| WIP | 4,821,991 | 1,966,191 |
| Cash | 1,800,000 | 1,800,000 |
| Payments to fixed Charge holders | (13,718,136) | (13,718,136) |
| Assets subject to floating charge: | | |
| Fixed Assets | 5,492,323 | 2,992,323 |
| WIP and Retentions | 19,164,288 | 12,385,886 |
| Cash | 0 | 0 |
| Trade Debtors | 5,908,332 | 4,997,028 |
| Other Debtors | 1,184,371 | 292,331 |
| Intercompany receivables | 17,800,382 | Uncertain |
| Investments | 0 | 0 |
| Stock | 4,793,655 | 1,793,655 |
| Taxation assets | 2,190,628 | 0 |
| Uncharged assets | 0 | 0 |
| | 61,479,046 | 23,550,488 |

Estimated total assets available for preferential creditors

Signature Thom Date 21/04/19

A1 – Summary of Liabilities

| | | Estimated to realise £ |
|--|----------------|------------------------------|
| Estimated total assets available for preferential creditors (carried from page A) | £ | 23,550,488 |
| Liabilities | | |
| Preferential creditors:- | £ (275,693) | |
| Estimated deficiency/surplus as regards preferential creditors | £ | 23,274,795 |
| Estimated prescribed part of net property where applicable (to carry forward) | £ (600,000) | |
| Estimated total assets available for floating charge holders | £ | 22,674,795 |
| Debts secured by floating charges | £(2,906,454) | |
| Estimated deficiency/surplus of assets after floating charges | £ | 19,768,341 |
| Estimated prescribed part of net property where applicable (brought down) | £ 600,000 | |
| Total assets available to unsecured creditors | £ | 20,368,341 |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | £ (41,966,704) | |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | £ | (21,598,363) |
| Shortfall to floating charge holders (brought down) | £ 0 | |
| Estimated deficiency/surplus as regards creditors | £ | (21,598,363) |
| Issued and called up capital | £ (121) | |
| Estimated total deficiency/surplus as regards members | £ | (21,598,484) |

Signature Tham Date 21/04/19

Statement of Affairs

Statement as to affairs of **Dawnus Developments Limited** as at **15 March 2019**

Company number : 05265566

Statement of Truth

I believe that the facts stated in this statement of the affairs are true

Full name TIMOTHY AUN LOWE

Signed Thore

Dated 21/04/19

A – Summary of Assets

Assets

Assets subject to fixed charge:

Fixed Assets

WIP

Cash

Payments to fixed Charge holders

Assets subject to floating charge:

Fixed Assets

WIP and Retentions

Cash

Trade Debtors

Other Debtors

Intercompany receivables

Investments

Stock

Taxation assets

Uncharged assets

| Book Value £ | Estimated to Realise £ |
|-----------------|---------------------------|
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 1,297,229 | Uncertain |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 0 | 0 |
| 1,297,229 | 0 |

Estimated total assets available for preferential creditors

Signature Thom Date 21/04/19

A1 – Summary of Liabilities

| | | Estimated to realise |
|--|--------|-------------------------|
| | £ | £ |
| Estimated total assets available for preferential creditors (carried from page A) | £ 0 | |
| Liabilities | | |
| Preferential creditors:- | £ 0 | |
| Estimated deficiency/surplus as regards preferential creditors | £ 0 | |
| Estimated prescribed part of net property where applicable (to carry forward) | £ 0 | |
| Estimated total assets available for floating charge holders | £ 0 | |
| Debts secured by floating charges | £ 0 | |
| Estimated deficiency/surplus of assets after floating charges | £ 0 | |
| Estimated prescribed part of net property where applicable (brought down) | £ 0 | |
| Total assets available to unsecured creditors | £ 0 | |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | £ 0 | |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | £ 0 | |
| Shortfall to floating charge holders (brought down) | £ 0 | |
| Estimated deficiency/surplus as regards creditors | £ 0 | |
| Issued and called up capital | £ (87) | |
| Estimated total deficiency/surplus as regards members | £ (87) | |

Signature Thave Date 21/04/19

Statement of Affairs

Statement as to affairs of **Ashridge Construction Limited** as at **15 March 2019**

Company number : 01579831

Statement of Truth

I believe that the facts stated in this statement of the affairs are true

Full name TIMOTHY ALAN LOWE

Signed Thowe

Dated 21/04/19

A – Summary of Assets

Assets

| | Book Value £ | Estimated to Realise £ |
|--|--------------------|------------------------------|
| Assets subject to fixed charge: | | |
| Fixed Assets | 0 | 0 |
| WIP | 0 | 0 |
| Cash | 0 | 0 |
| Payments to fixed Charge holders | 0 | 0 |
| Assets subject to floating charge: | | |
| Fixed Assets | 0 | 0 |
| WIP and Retentions | 4,913 | 0 |
| Cash | 0 | 0 |
| Trade Debtors | 0 | 0 |
| Other Debtors | 0 | 0 |
| Intercompany receivables | 2,065,565 | Uncertain |
| Investments | 0 | 0 |
| Stock | 0 | 0 |
| Taxation assets | 0 | 0 |
| Uncharged assets | 0 | 0 |
| Estimated total assets available for preferential creditors | 2,070,478 | 0 |

Signature Thane Date 21/04/19

A1 – Summary of Liabilities

| | | Estimated to realise |
|--|------------|-------------------------|
| | | £ |
| Estimated total assets available for preferential creditors (carried from page A) | £ | 0 |
| Liabilities | | |
| Preferential creditors:- | £ 0 | |
| Estimated deficiency/surplus as regards preferential creditors | £ | 0 |
| Estimated prescribed part of net property where applicable (to carry forward) | £ 0 | |
| Estimated total assets available for floating charge holders | £ | 0 |
| Debts secured by floating charges | £ 0 | |
| Estimated deficiency/surplus of assets after floating charges | £ | 0 |
| Estimated prescribed part of net property where applicable (brought down) | £ 0 | |
| Total assets available to unsecured creditors | £ | 0 |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | £ (85,488) | |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | £ | (85,488) |
| Shortfall to floating charge holders (brought down) | £ 0 | |
| Estimated deficiency/surplus as regards creditors | £ | (85,488) |
| Issued and called up capital | £ (10,000) | |
| Estimated total deficiency/surplus as regards members | £ | (95,488) |

Signature Thane Date 21/04/19

Ashridge Construction Limited - in administration
 Joint Administrators' receipts and payments account
 from 15 March 2019 to 22 April 2019

| Receipts | Statement of Affairs (£) | Total (£) |
|-------------------------|-----------------------------|-----------|
| | | 0.00 |
| Payments | | |
| | | 0.00 |
| Balance - 22 April 2019 | | 0.00 |
| Made up as follows | | |
| | | 0.00 |

Churchfield Homes Limited - in administration
 Joint Administrators' receipts and payments account
 from 15 March 2019 to 22 April 2019

| Receipts | Statement of Affairs (£) | Total (£) |
|--------------------------------|-----------------------------|-----------|
| Cash at Bank | 399,985.00 | 0.00 |
| WIP and Retentions | 1,014,290.00 | 0.00 |
| Investments | 174,645.00 | 0.00 |
| | | 0.00 |
| Payments | | |
| | | 0.00 |
| Balance - 22 April 2019 | | 0.00 |
| Made up as follows | | |
| | | 0.00 |

Dawnus Group Limited - in administration
 Joint Administrators' receipts and payments account
 from 15 March 2019 to 22 April 2019

| Receipts | Statement of Affairs (£) | Total (£) |
|--------------------------------|-----------------------------|-----------|
| Book Debts | 636,252.00 | 0.00 |
| | | 0.00 |
| Payments | | |
| | | 0.00 |
| Balance - 22 April 2019 | | 0.00 |
| Made up as follows | | |
| | | 0.00 |

Dawnus Developments Limited - in administration
 Joint Administrators' receipts and payments account
 from 15 March 2019 to 22 April 2019

| Receipts | Statement of Affairs (£) | Total (£) |
|-------------------------|-----------------------------|-----------|
| | | 0.00 |
| Payments | | |
| | | 0.00 |
| Balance - 22 April 2019 | | 0.00 |
| Made up as follows | | |
| | | 0.00 |

Dawnus Limited - in administration
 Joint Administrators' receipts and payments account
 from 15 March 2019 to 22 April 2019

| Receipts | Statement of Affairs (£) | Total (£) |
|--------------------------------|-----------------------------|----------------------|
| Fixed Assets | 2,006,119.00 | 0.00 |
| Intercompany Loan | | 5,863.86 |
| | | <hr/> 5,863.86 <hr/> |
| Payments | | |
| Preferential Creditors (All) | (947,366.00) | 0.00 |
| | | <hr/> 0.00 |
| Balance - 22 April 2019 | | <hr/> 5,863.86 <hr/> |
| Made up as follows | | |
| Floating Deposit Account | | 5,863.86 |
| | | <hr/> 5,863.86 <hr/> |

Dawnus Southern Limited - in administration
 Joint Administrators' receipts and payments account
 from 15 March 2019 to 22 April 2019

| Receipts | Statement of Affairs (£) | Total (£) |
|--------------------------------|-----------------------------|-----------|
| Fixed Assets | 13,474.00 | 0.00 |
| WIP | 300,000.00 | 0.00 |
| | | 0.00 |
| Payments | | |
| | | 0.00 |
| Balance - 22 April 2019 | | 0.00 |
| Made up as follows | | |
| | | 0.00 |

Legsun Limited - in administration
 Joint Administrators' receipts and payments account
 from 15 March 2019 to 22 April 2019

| Receipts | Statement of Affairs (£) | Total (£) |
|-------------------------|-----------------------------|-----------|
| | | 0.00 |
| Payments | | |
| | | 0.00 |
| Balance - 22 April 2019 | | 0.00 |
| Made up as follows | | |
| | | 0.00 |

Quantum Geotechnical Limited - in administration
 Joint Administrators' receipts and payments account
 from 15 March 2019 to 22 April 2019

| Receipts | Statement of Affairs (£) | Total (£) |
|--------------------------------|-----------------------------|------------------------|
| WIP and Retentions | 527,408.00 | 0.00 |
| Book Debts | 871,846.00 | 101,299.83 |
| Licence to occupy fee | | 6,706.08 |
| | | <hr/> 108,005.91 <hr/> |
| Payments | | |
| | | <hr/> 0.00 <hr/> |
| Balance - 22 April 2019 | | <hr/> 108,005.91 <hr/> |
| Made up as follows | | |
| Floating Current Account NIB | | 6,706.08 |
| Floating Deposit Account | | 101,299.83 |
| | | <hr/> 108,005.91 <hr/> |

Dawnus Construction Holdings Limited - in administration
Joint Administrators' receipts and payments account
from 15 March 2019 to 22 April 2019

| Receipts | Statement of Affairs (£) | Total (£) |
|--------------------------------|-------------------------------------|-------------------------------|
| Plant & Machinery | 11,041,211.00 | 0.00 |
| WIP | 1,966,191.00 | 0.00 |
| Cash at Bank | 1,800,000.00 | 0.00 |
| Plant & Machinery | | 464,000.00 |
| Stock | 1,793,655.00 | 0.00 |
| WIP and Retentions | 12,385,886.00 | 0.00 |
| Book Debts | 5,289,359.00 | 205,046.17 |
| VAT on Sales | | 76,642.20 |
| | | <hr/> 745,688.37 |
| Payments | | |
| Vehicle Running Costs | | 4,501.25 |
| Net Wages | | 77,724.31 |
| Employee Expenses/Redundancy | | 1,432.81 |
| Settlement of Finance | | 231,031.63 |
| Intercompany Loan | | 5,863.86 |
| Environmental costs | | 250.00 |
| Telephone Telex & Fax | | 6,738.45 |
| Liens | | 5,600.99 |
| Bank Charges | | 87.30 |
| VAT on Purchases | | 27,026.80 |
| | | <hr/> 360,257.40 |
| Balance - 22 April 2019 | | <hr/> 385,430.97 <hr/> |
| Made up as follows | | |
| Floating Current Account NIB | | 1,449.60 |
| Floating Deposit Account | | 387,634.28 |
| Grant Thornton Loan Account | | (3,652.91) |
| | | <hr/> 385,430.97 <hr/> |

Legsun Limited – In Administration

Payments, remuneration and expenses to the joint administrators or their associates

Statement of Insolvency Practice 9 disclosure

This appendix has been prepared in conjunction with the requirements of the Insolvency Act 1986, the Insolvency (England and Wales) Rules 2016 (the Rules) and Statement of Insolvency Practice 9 (SIP9). In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the joint administrators and their team during the period
- hourly charge out rates
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

Pre-appointment costs

Pre-appointment administration costs are fees charged and expenses incurred by administrators or other qualified insolvency practitioners, before the company entered administration but with a view to it doing so. To the extent they remain unpaid when the company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Prior to appointment, the administrators worked with the Company and assisted the directors in placing the Company into Administration. The administrators are not seeking payment in relation to their pre-appointment costs.

Geldards LLP was instructed and incurred costs of approximately £1,583 (plus disbursements of £52). This is yet to be paid and creditor approval will be sought for payment.

Post-appointment costs

Fee basis of the joint administrators

As at the date of this report the fee basis has not been set. As explained below if no creditors committee is formed, the secured and preferential creditors' approval of the fee basis will be sought following the deemed approval of the proposals enclosed in this report. During the period from 15 March 2019 to 22 April 2019 (the Period), time costs were incurred totalling £4,445 represented by 16 hrs at an average of £278/hr. A description of the work done is provided in the respective section below.

Proposed fee basis

We propose that the remuneration of the joint administrators be fixed on the basis below:

- time properly spent by the Administrators and their staff
- 30% of gross recoveries of any additional assets or claims which are not yet known and may arise following our investigations (e.g. any antecedent transactions). For the avoidance of doubt, we will not include an estimate for these time costs in our fees estimate below

The joint administrators' statement of proposals enclosing this report state that the administrators consider that the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of section 176A(2)(a) of the Insolvency Act 1986 (the "prescribed part" to be carved out of money which would otherwise be payable to the holder of a floating charge).

A consequence of this statement is that rule 18.18(4) of the Rules provides that the basis of the joint administrators' remuneration shall be fixed, if, as in this case, there is no creditors committee, by (a) the consent of each of the secured creditors; or (b) if the administrator has made or intends to make a distribution to preferential creditors (i) the consent of each of the secured creditors, and (ii) a decision of the preferential creditors in a decision procedure.

Although the unsecured creditors are not involved in fixing the basis of the joint administrators' remuneration, rule 18.16(4) nevertheless requires that where the proposed basis of remuneration is by reference to the time properly given by the joint administrators and their staff in attending to matters arising in the administration, the joint administrators must, prior to the determination of the basis, deliver to the creditors (a) a fees estimate and (b) details of the expenses which will be or are likely to be incurred.

As time costs form part of the proposed fee basis we provide, below, a fees estimate and details of the expenses that will be, or are likely to be, incurred - please see the 'fees estimate' section.

We expect this fee basis to produce a fair and reasonable reflection of work anticipated to be undertaken as 30% of gross recoveries accounts for the risk attributed to the work on any potential contingent claims

Likely return to creditors

The timing and quantum of future dividends is currently unknown.

Fees estimate

The fees estimate is based on all of the information available to us as at 22 April 2019. We have considered and accounted for the different levels of expertise that we anticipate will be required to do the work we anticipate necessary to complete the administration in calculating the time and cost included in the fees estimate table provided below.

Note that the fees estimate is also based on the following assumptions:

- That the duration of the administration will exceed the prescribed 12-month period and the administrators will be seeking approval for an extension
- That the realisation of all assets will be timely, with no complexities other than those identified below

The fees estimate table below includes work done by the joint administrators to date in addition to the anticipated work. This should be read in conjunction with the proposals enclosed in this report.

Please see the 'Hourly charge out rates' section for the rates applied to the fees estimate.

| Area of work | Work done | Anticipated work | Why the work is/was necessary | Financial benefit to creditors | 14 hrs | £3,765 | £269/hr |
|-----------------------------------|-----------|--|--|---|--------|--------|---------|
| Investigations | | | | | | | |
| Director/ senior employees | | <ul style="list-style-type: none">• Reviewing company records to establish the reasons for the failure of the company• Completing relevant forms on the Directors Conduct Reporting Service website and internal checks | <ul style="list-style-type: none">• To report on the conduct of the directors• To ensure that all company assets are identified, secured and realised | <ul style="list-style-type: none">• This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it might not add financial value to the estate it will add value to the insolvency process | | | |
| Books & records | | <ul style="list-style-type: none">• Reviewing the company's books and records• Recovering and reviewing information from the company's IT systems• | <ul style="list-style-type: none">• To ensure that all company assets are identified, secured and realised | | | | |
| Bank analysis | | <ul style="list-style-type: none">• Reviewing the company's bank statements for any antecedent transactions | <ul style="list-style-type: none">• To ensure that all company assets are identified, secured and realised | | | | |

| Creditors | | 14 hrs | £3,330 | £238/hr |
|--------------------------------|---|--|---|--|
| Unsecured | <ul style="list-style-type: none"> Gather information in relation to unsecured creditors Liaise with unsecured creditors in respect of their claims in the estate | <ul style="list-style-type: none"> Gathering information on all unsecured creditors Writing to all creditors advising of appointment and other statutory reporting requirements Liaising with creditors regarding their claims in the estate and their queries | <ul style="list-style-type: none"> To ensure all creditors are kept up to date with the administration To ensure all creditor claims are dealt with appropriately | <ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors |
| Administration | | 23 hrs | £5,930 | £258/hr |
| Take-on | <ul style="list-style-type: none"> Obtain and assess statutory company information, together with other publicly available information Complete necessary relationship and ethical checks to confirm independence and objectivity for taking the insolvency appointment, implementing and maintaining any safeguards that may be needed Conduct anti-money laundering checks, including client verification, assessing the risks | <ul style="list-style-type: none"> Continuing to monitor and maintain compliance with anti-money laundering procedures Continuing to monitor risk and implement ongoing checks To facilitate understanding of client and completion of other take-on tasks To ensure and maintain independence in line with the Insolvency Code of Ethics Pursuant to anti-money laundering regulations and Grant Thornton policy To facilitate an efficient and effective start to the insolvency process | <ul style="list-style-type: none"> To comply with financial crime legislation as well as internal risk management policies To facilitate understanding of client and completion of other take-on tasks To ensure and maintain independence in line with the Insolvency Code of Ethics Pursuant to anti-money laundering regulations and Grant Thornton policy To facilitate an efficient and effective start to the insolvency process | <ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors Bordereau cost £30 Statutory advertising £74 |
| Appointment formalities | | | | |
| | <ul style="list-style-type: none"> Check the presence, validity and filing of all formal appointment documents Prepare, circulate, advertise and file notice of appointment File appointment documents at Companies House | <ul style="list-style-type: none"> Continuing to file documents at Companies House as required by statute To ensure that the appointment is valid To comply with insolvency law and regulations | | |
| Case set-up | | | | |
| | <ul style="list-style-type: none"> Set up insolvency practitioner's software and transaction processing software Set up document and mail merge templates for standard letters | <ul style="list-style-type: none"> Continuing to maintain insolvency practitioner's software and transaction processing software To ensure the appointees are insured and the | | |

| | |
|---|---|
| <ul style="list-style-type: none"> Calculate, complete and submit the bordereau notification Collate and assess information regarding data collection, storage, processing and destruction; implementing and maintaining any necessary data protection strategies, reporting any known issues | <p>insolvency estate is protected</p> <ul style="list-style-type: none"> To understand the data in use, its sensitivities (if any) and to comply with data protection laws To comply with insolvency law and regulations |
| <p>Case management</p> <ul style="list-style-type: none"> Review of case and progress by Insolvency Practitioners and internal risk management team Liaise with the Internal Public Relations team regarding the appointment and producing a statement for release | <ul style="list-style-type: none"> Reviewing of case and progress by Insolvency Practitioners and internal risk management team To comply with insolvency law and regulations |
| <p>Reports, circulars notices & decisions</p> | <ul style="list-style-type: none"> Preparation of administrators' progress reports Drafting, circulating and filing the joint administrators' proposals for achieving the purpose of administration Drafting, circulating and filing of reports to creditors every six months regarding case progress and any significant matters Monitoring deemed consent and/or decision procedures, reviewing submissions, establishing the decision outcomes, assessing validity and reporting as appropriate Requesting approval of extension of the administration from creditors, including preparing and issuing notice of deemed consent or decision procedures as appropriate and related paperwork, regarding fixing the basis of the administrators' remuneration, forming a committee and any other necessary decisions <p>To comply with insolvency law and regulations</p> |
| <p>Statement of Affairs</p> <ul style="list-style-type: none"> Request Statement of Affairs from the directors | <ul style="list-style-type: none"> Reviewing Statement of Affairs and circulating to creditors To comply with insolvency law and regulations |

- Assist the directors and retained employees with their queries

| | | | |
|--|---|---------------|------------------------|
| Committee | <ul style="list-style-type: none"> • Convening meetings of creditors committee, if appropriate • To comply with insolvency law and regulations | | |
| Treasury, billing & funding | <ul style="list-style-type: none"> • Undertake bank reconciliations • Undertaking bank reconciliations • Manage and maintain the estate's bank account • Managing and maintaining the estate's bank account • To comply with insolvency law and regulations | | |
| Tax | <ul style="list-style-type: none"> • Collect tax information to present to tax team • Collecting tax information • Review the Company's tax liabilities and potential refunds • Corresponding with HMRC • Liaise with retained employees to gather tax information • To comply with tax legislation • Correspondence with HMRC including the submission of statutory forms | | |
| Pensions | <ul style="list-style-type: none"> • Correspondence with The Pensions Regulator, employee benefits providers and pension scheme • Corresponding with The Pensions Regulator, employee benefits provider and pension scheme • To ensure that employees continue to receive contractual benefits that they were entitled to • To comply with pension related legislation | | |
| Closure | <ul style="list-style-type: none"> • Obtaining tax clearance from HMRC, ensuring that all assets have been realised or otherwise dealt with, ensuring all funds have been distributed where applicable • To ensure proper closure of the case following the completion of the administration • Drafting final report and circulating to creditors • To comply with insolvency law and regulations • Filing relevant documents at Companies House to ensure closure of the administration | | |
| Total fees estimate | | 51 hrs | £13,025 £255/hr |
| Total expense estimate | | £104 | |

Work done by the joint administrators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. We are also required to provide narrative explanation of the work done which is contained in the above table. The following table sets out this information for the joint administrators' fees incurred together with a numerical fees estimate. Details of expenses incurred in connection with work done are provided in the 'Disbursements and expenses' section below.

Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end

Period from 15/03/2019 to 22/04/2019

| Area of work | Partner | | Manager | | Executive | | Administrator | | Period total | | Cumulative total as at period end | | Fees estimate | |
|----------------------------------|---------|---|-------------|---------------|--------------|-----------------|---------------|---------------|--------------|-----------------|-----------------------------------|---------------|---------------|------------------|
| | Hrs | £ | Hrs | £ | Hrs | £ | Hrs | £ | Hrs | £ | Hrs | £/hr | Hrs | £ |
| Investigations: | | | | | | | | | | | | | | |
| Debtor/director/senior employees | - | - | - | - | - | - | - | - | - | - | - | - | 14.00 | 3,765.00 |
| General | - | - | - | - | - | - | - | - | - | - | - | - | - | 268.83 |
| Creditors: | | | | | | | | | | | | | | |
| Unsecured | - | - | - | - | - | - | - | - | - | - | - | - | 14.00 | 3,330.00 |
| Administration: | | | | | | | | | | | | | | |
| Tax | - | - | 0.40 | 174.50 | - | - | - | - | 16.00 | 4,445.00 | 16.00 | 277.81 | 23.00 | 5,930.00 |
| Treasury, billing & funding | - | - | - | - | - | - | - | - | 0.40 | 174.50 | 0.40 | 436.25 | - | - |
| General | - | - | - | - | - | - | 3.00 | 540.00 | 3.00 | 540.00 | 3.00 | 180.00 | - | - |
| | - | - | 1.65 | 764.00 | 10.45 | 2,876.50 | 0.50 | 90.00 | 12.60 | 3,730.50 | 12.60 | 296.07 | - | - |
| Total | - | - | 2.05 | 938.50 | 10.45 | 2,876.50 | 3.50 | 630.00 | 16.00 | 4,445.00 | 16.00 | 277.81 | 51.00 | 13,025.00 |
| | | | | | | | | | | | | | | 255.39 |

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant managers and executives
- Due to enhancements to our SIP9 reporting systems, allocation of time against areas of work may differ to previous periods, however this does not affect overall total time costs

Hourly charge out rates

Time is charged in units of 6 minutes for each grade of staff used. The hourly charge out rates applied during the Period are as follows:

| Grade | From 1 October 2017 to current | |
|--------------------|--------------------------------|------------------------|
| | Insolvency £/hr | Pensions & Tax £/hr |
| Partner | 510 - 650 | 510 - 745 |
| Director | 485 - 545 | 485 - 595 |
| Associate director | 445 - 495 | 445 - 485 |
| Manager | 340 - 420 | 340 - 410 |
| Assistant manager | 300 - 350 | 300 - 340 |
| Executive | 245 - 325 | 260 - 315 |
| Administrator | 165 - 240 | 165 - 235 |
| Treasury | 180 | n/a |
| Support | 150 - 155 | n/a |

The current charge out rates have applied since 1 October 2017. We reserve the right to amend our charge out rates in the future. Any amendments will be detailed within the next report following such an amendment.

Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the joint administrators, description of which is provided in the 'Work done' section above.

| Category | Incurred in the Period (£) | Cumulatively incurred as at Period end (£) | Of which paid by the estate as at Period end (£) |
|---|----------------------------|--|--|
| Category 1 disbursements | | | |
| Statutory advertising | 74 | 74 | 74 |
| Bordereau costs | 30 | 30 | 30 |
| Total expenses and disbursements | 104 | 104 | 104 |

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the joint administrators' receipts and payment account at Appendix B.

Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

To the extent that recovery of category 2 disbursements is sought, this will be for mileage only.

Mileage is charged at 45p a mile. VAT is added as appropriate. Details of these costs are also provided in the table below.

Sub-contracted out work

During the Period we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

Payments to associates

Where we have enlisted the services of others, we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has a business or personal relationship:

| Service provider | Services enlisted | Cost of service |
|-----------------------|---|---|
| Grant Thornton UK LLP | <ul style="list-style-type: none">Tax work/advice (narrative is included within the above narrative of work done)Pensions work/advice (narrative is included within the above narrative of work done)Digital Forensic Group – cyber consultants (narrative is included within the above narrative of work done) | <ul style="list-style-type: none">Costs are included within the above SIP9 time cost analysis |

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the joint administrators' fee basis, or who provide services to us as joint administrators, which may give rise to a potential conflict.

Information for creditors

Provided below is information to help creditors to understand their rights in insolvency and regarding officeholders' fees, and the roles and functions of committees.

R3 is the trade association for the UK's insolvency, restructuring, advisory and turnaround professionals. Amongst other things, R3 has made available written guidance for stakeholders affected by insolvency, in particular creditors, for some of which the web links are provided below.

Where web links are provided for the information, we will supply this information by post, free of charge on request.

'Office holder' means, for example, the appointed administrator(s), liquidator(s) or trustee(s) in bankruptcy.

R3 creditor guides

- Rights of creditors during an insolvency process guides: <https://www.r3.org.uk/what-we-do/publications/professional/creditors-guides>
- Background information regarding the fees of officeholders: <https://www.r3.org.uk/what-we-do/publications/professional/fees>
- Liquidation/Creditors' committees and commissioners: <https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>

Creditors' and members' rights to request information about remuneration or expenses under r18.9 of the Rules

(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14:

- (a) a secured creditor;
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
- (d) any unsecured creditor with the permission of the court; or
- (e) any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by:

- (a) providing all of the information requested;
- (b) providing some of the information requested; or
- (c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if:

- (a) the time or cost of preparation of the information would be excessive; or
- (b) disclosure of the information would be prejudicial to the conduct of the proceedings;

- (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
- (d) the office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of:

- (a) the office-holder giving reasons for not providing all of the information requested; or
- (b) the expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).

Creditors' and members' rights to challenge the office-holder's remuneration and expenses under r18.34 of the Rules

(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that:

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable:

- (a) a secured creditor,
- (b) an unsecured creditor with either:
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
- (c) in a members' voluntary winding up:
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

AM03 Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

| | |
|---------------|-----------------------|
| Contact name | Richard J Jackson |
| Company name | Grant Thornton UK LLP |
| | |
| Address | 11/13 Penhill Road |
| | |
| | |
| Post town | Cardiff |
| County/Region | South Glamorgan |
| Postcode | C F 1 1 9 U P |
| Country | |
| DX | |
| Telephone | 0161 953 6900 |



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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