

AM10

Notice of administrator's progress report



Companies House

THURSDAY



A19 *A80A30F1* 28/02/2019 #4
COMPANIES HOUSE

1 Company details

Company number 0 2 1 9 1 8 7 4

Company name in full Axiom Displays Limited

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

2 Administrator's name

Full forename(s) Thomas Edward

Surname Guthrie

3 Administrator's address

Building name/number 2nd Floor, Elm House

Street Woodlands Business Park

Post town Linford Wood West

County/Region Milton Keynes

Postcode M K 1 4 6 F G

Country

4 Administrator's name ①

Full forename(s) Peter John

Surname Windatt

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

5 Administrator's address ②

Building name/number 2nd Floor, Elm House

Street Woodlands Business Park

Post town Linford Wood West

County/Region Milton Keynes

Postcode M K 1 4 6 F G

Country

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

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6 Period of progress report

From date	^d 2	^d 3	^m 0	^m 7	^y 2	^y 0	^y 1	^y 8
To date	^d 2	^d 2	^m 0	^m 1	^y 2	^y 0	^y 1	^y 9

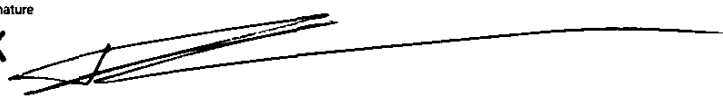
7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X  X

Signature date

^d 2	^d 5	^m 0	^m 2	^y 2	^y 0	^y 1	^y 9
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Notice of administrator's progress report



Presenter information

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

Contact name	Donna Harris
Company name	BRI Business Recovery and Insolvency
Address	100 St James Road Northampton
Post town	NN5 5LF
County/Region	
Postcode	
Country	
DX	
Telephone	01604 754352



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



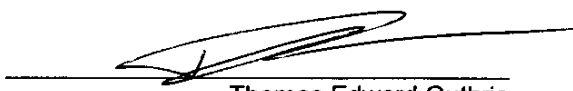
Further information

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

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

Axiom Displays Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 23/07/2018 To 22/01/2019 £	From 23/07/2018 To 22/01/2019 £
	ASSET REALISATIONS		
Uncertain	Intercompany debt POP	NIL	NIL
35,000.00	Plant and Machinery	35,000.00	35,000.00
5,000.00	Office Furniture and Equipment	5,000.00	5,000.00
28,197.00	Stock	28,197.00	28,197.00
32,230.60	Surplus Debtors	32,230.60	32,230.60
	Cash at Bank	238.73	238.73
40,000.00	Goodwill	40,000.00	40,000.00
	Bank Interest Gross	45.26	45.26
Uncertain	Doubtful Debtor	NIL	NIL
2,087.00	Intercompany debt AMS	2,087.00	2,087.00
1.00	Customer contracts	1.00	1.00
1.00	Intellectual Property	1.00	1.00
1.00	Seller Records	1.00	1.00
		<u>142,801.59</u>	<u>142,801.59</u>
	COST OF REALISATIONS		
	Insolvency Bond	396.00	396.00
	Pre Administration Costs	32,425.50	32,425.50
	Administrators' Remuneration	24,400.00	24,400.00
	Agent's and Valuer's Fees	750.00	750.00
	Legal Fees	10,896.00	10,896.00
	Statutory Advertising	71.15	71.15
		<u>(68,938.65)</u>	<u>(68,938.65)</u>
142,517.60		<u>73,862.94</u>	<u>73,862.94</u>
	REPRESENTED BY		
	VAT Receivable		1,230.00
	Interest Bearing Current Account		60,176.61
	Vat Control Account		12,456.33
			<u>73,862.94</u>


Thomas Edward Guthrie
Joint Administrator

**AXIOM DISPLAYS LIMITED
(IN ADMINISTRATION)
JOINT ADMINISTRATORS' PROGRESS REPORT TO CREDITORS
FOR THE PERIOD ENDED 22 JANUARY 2019**

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- 3 Unrealised assets**
- 4 Investigation into the affairs of the Company**
- 5 Dividend prospects**
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- 3 BRI guide to fees and disbursements**

**AXIOM DISPLAYS LIMITED
(IN ADMINISTRATION)
JOINT ADMINISTRATORS' PROGRESS REPORT TO CREDITORS
FOR THE PERIOD ENDED 22 JANUARY 2019**

1 Statutory and general information

Company number: 02191874

Court details: In the High Court of Justice Business and Property Courts in Manchester, 2672 of 2018

Joint administrators: Thomas Edward Guthrie and Peter John Windatt of BRI Business Recovery and Insolvency, 2nd Floor, Elm House, Woodlands Business Park, Linford Wood West, Milton Keynes, MK14 6FG.

Date of appointment: 23 July 2018

Creditors wishing to contact the liquidators, should contact Jean Green-Thompson on telephone number 01908 317387 in the first instance

2 Joint administrators' actions since appointment

2.1 This report should be read in conjunction with my SIP16 report, my proposals and my receipts and payments account, which is attached. Please note that the figures are shown net of VAT.

2.2 As noted in my receipts and payments account, realisations are broadly in line with the estimated statement of affairs amounts. Greater detail is provided below.

Sale of the business and assets

2.3 Creditors will be aware from my SIP16 report and my proposals that shortly following my appointment on 23 July 2018, the business and assets of the Company were sold to Axiom Marketing Services Limited ("AMS")("the purchaser"), a connected company.

2.4 Creditors should refer to my SIP 16 report and my proposals for a detailed explanation for the valuations obtained in respect of the assets, the marketing exercise which was undertaken prior to the completion of the sale and the justification for the acceptance of the offer from AMS, as I do not propose to repeat those matters here.

Sums received on completion

2.5 Upon completion of the sale and, in accordance with the sale and purchase agreement, my solicitors received the following sums:

2.5.1 An amount of £334,999.91 was paid to the Bibby Financial Services, the holders of a qualifying floating charge, in full and final settlement of all outstanding sums including interest and charges.

2.5.2 An amount of £80,000 was paid to my solicitors, pending the opening of an Escrow account to be held as security, pending receipt of the deferred consideration in full.

2.5.3 An amount of £28,200 was paid to my solicitors, representing part consideration for the assets.

2.5.4 An amount of £2,087 was paid to my solicitors, representing payment in full of an intercompany debt owed by the purchaser to the Company.

Sums anticipated following completion

2.6 The sum representing the deferred consideration totalling £112,230.60 (being £80,000 in respect of plant and machinery, office furniture and equipment, stock, goodwill, intellectual property, customer contracts,

books, records and goodwill and an additional £32,230.60 in respect of the debtor book) was payable in four monthly instalments as follows:

- 2.6.1 The sum of £28,057.65 by 4pm on 31 July 2018.
- 2.6.2 The sum of £28,057.65 by 4pm on 31 August 2018.
- 2.6.3 The sum of £28,057.65 by 4pm on 30 September 2018.
- 2.6.4 The sum of £28,057.65 by 4pm on 31 October 2018.
- 2.7 All deferred sums due under the sale and purchase agreement were received as anticipated, as reflected in my receipts and payments account.
- 2.8 In addition to dealing with the realisation of assets, I have to meet various legislative and best practice requirements and deadlines. These matters include filing of documents with the Registrar of Companies, ensuring that all receipts and payments are dealt with in a timely basis and proper accounting records are maintained, undertaking periodic case progression reviews, advising creditors of the administration and recording all claims received, together with other day to day matters that arise.

Monitoring receipt of licence fee

- 2.9 Under the terms of the sale and purchase agreement, I granted a Licence to Occupy, for a period of six months, to the purchaser, in respect of the trading premises, under which a licence fee is payable.
- 2.10 During the course of the administration, I have monitored the receipt of the licence fee due from the purchaser and liaised with the landlord to confirm receipt. The monthly licence fee has been received in accordance with the Licence to Occupy.
- 2.11 Upon the expiration of the Licence to Occupy, I was made aware by the landlord that he agreed an assignment of the lease from the Company to the purchaser. However, the terms of that assignment are yet to be formally concluded as at the date of this report. As a result, it was necessary for me to agree renewed terms with the purchaser under which the premises would be occupied, following expiry of the Licence to Occupy. Accordingly, in a letter dated 7 February 2019, the purchaser agreed to continue the basis of their occupation of the premises, under terms identical to that provided in the Licence to Occupy, until such time as the lease assignment is complete, or until 23 April 2019, whichever is the earliest date.

3 Unrealised assets

- 3.1 As noted in my receipts and payments account, the assets described as "Intercompany debt POP" and "Doubtful Debtor" were reflected as being of uncertain value. No realisations have been made in respect of those assets since my appointment.

Intercompany debt POP

- 3.2 As detailed in my proposals, the Company's balance sheet as at 31 May 2018 indicated that the amount owed by Axiom POP Limited (POP), the ultimate shareholder, is £533,967. The level of realisations from this asset were unclear at the date of my appointment, however, it was noted that POP is a holding company that does not have assets of significant realisable value.
- 3.3 I am yet to conclude my enquiries into the ability of POP to settle its debt to the Company and I anticipate therefore, that this matter will be dealt with by the joint liquidators as this matter will shortly exit administration via a liquidation.

Doubtful Debtor

- 3.4 As explained in my proposals, a debtor in the amount of £23,029 was excluded from the sale agreement on the basis that the prospects of recovery was doubtful.
- 3.5 I have been unable to conclude my enquiries into the ability of this debtor to settle its debt to the Company and I anticipate therefore, that this matter will be dealt with by the joint liquidators.

4 Investigation into the affairs of the Company

- 4.1 I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.
- 4.2 I took the following action where I considered that further investigation was justified:
- I collected and reviewed the Company's books and records, including bank statements, sales and purchase order invoices, creditor statements and electronic accounting records.
 - In addition, I considered concerns raised by a creditor in respect of the conduct of the directors and spent time liaising with them accordingly to support my enquiries into the Company's affairs.
- 4.3 Within three months of appointment, any administrator is required to report to the Secretary of State on any matters which have come to their attention during the course of their work which may indicate that the conduct of any past or present director would make them unfit to be concerned with the management of the Company. I have complied with these requirements, however due to the confidential nature of any return or report, I am unable to make any further comments.

5 Dividend prospects

- 5.1 Preferential creditors:
- The Company employed 55 members of staff. The status of those employees was protected under the provisions of the Transfer of Undertakings Protection of Employment Regulations 2006 (TUPER) and no preferential employee claims will arise as a result.
- 5.2 Unsecured creditors:
- Following the move to creditors' voluntary liquidation, I will review and agree unsecured creditors' claims as on current information I believe that there will be sufficient funds to make a distribution. To date claims received from creditors are broadly in line with the amounts detailed in the Company's records. I am currently unable to give any firm indications of the amount of the distribution as much will depend on the level of realisations from the currently unrealised debtors of uncertain value.
- 5.3 Floating charge creditor and the prescribed part:
- The Company granted a fixed and floating charge to Bibby Financial Services on 24 February 2016. The money due to Bibby has been fully repaid under the terms of the sale agreement and the charge is now satisfied. As a result, the Company has no outstanding charges and therefore the Pre-appointment remuneration
- 5.4 The costs and expenses incurred by BRI Business Recovery and Insolvency prior to administration have, in accordance with the resolution passed at the meeting of creditors to consider the administrators' proposals, been paid out of the assets of the administration. The amounts are as follows:

Administrators' Costs	£32,425.50 plus VAT
Legal Fees	£10,896 plus VAT
Agent's Fees	£750 plus VAT

- 5.5 The costs and expenses incurred prior to the administration have been paid in full from the assets of the Company, as authorised by creditors.
- #### **6 Joint administrators' remuneration**
- 6.1 My remuneration was previously authorised by creditors at a decision procedure with the decision date of 4 September 2018 to be drawn on a time costs basis, capped at £30,393.55. My total time costs to 21 January 2019 amount to £24,753 which have been charged at an average charge out rate of £242.91. I have drawn £24,400 to date. A schedule of my time costs incurred to date is attached.
- 6.2 Based on current information, the estimate of fees provided and approved is unlikely to be exceeded.

- 6.3 For the benefit of creditors, the Association of Business Recovery Professionals publish 'A Creditors' Guide to Administrators' Fees'. This document is available by entering the following website address, www.briuk.co.uk then clicking on the 'Creditor information' option on the headings bar. Please note that there are different versions for cases that commenced before or after 6 April 2010 and in this case you should refer to the post April 2010 version. A hard copy of this document can be obtained on request from any of our offices.

7 Joint administrators' expenses

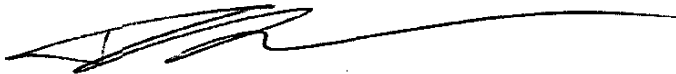
- 7.1 Details of the expenses that I have paid are shown on the attached receipts and payments account, and are largely self explanatory. Furthermore, the expenses are in line with the estimate already provided to creditors, and are not likely to exceed this amount.
- 7.2 My choice of professionals was based on my knowledge of their experience and ability to perform the type of work required. I have reviewed the fees charged and as they are in line with original estimates, I am satisfied that they are reasonable in the circumstances of this case.

8 Further information

- 8.1 An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the joint administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.
- 8.2 A unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the joint administrators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

9 Conclusion

- 9.1 I will now take the steps necessary to exit the administration into creditors' voluntary liquidation to conclude asset realisations and declare and first and final distribution to unsecured creditors.
- 9.2 Should you have any queries regarding this matter please contact Jean Green-Thompson on 01908 317387.



Thomas Edward Guthrie
Joint Administrator

BRI (UK) Limited

SIP 9 Summary of hours and costs (Pre Appointment only)
from 01/01/1980 to 27/02/2019

Client 6980MK Axiom Displays Ltd

Classification of work function	Hours					Total	Time Cost £	Average hourly rate £
	Lead IP	Manager	Assistant manager	Senior administrator	Junior Administrator			
Pre-appointment	42.60		67.50		7.50	117.60	£32,538.00	£276.68
Posted time	42.60	0.00	67.50	0.00	7.50	117.60	£32,538.00	£276.68
Unposted time								
Total time								
Total time costs/grade	16,188.00		15,187.50		1,162.50	32,538.00		

20 February 2019

BRI (UK) Limited

SIP 9 Summary of hours and costs from 23/07/2018 to 21/01/2019

Client 6980MK Axiom Displays Ltd

Classification of work function	Hours					Total	Time Cost £	Average hourly rate £
	Lead IP	Manager	Assistant manager	Senior administrator	Junior Administrator	Assistants and support staff		
Admin & planning	4.10		6.50	7.80	1.20	0.30	19.90	£4,409.50
Cashiering	2.00		1.40	0.90	0.85	5.15	10.30	£1,934.50
Creditors	9.00		11.20	1.00	0.80	3.50	26.70	£6,839.00
Investigations	0.30		0.40		0.60		1.30	£276.00
Realisation of assets	5.40		6.90	0.30			12.60	£3,651.00
Reporting	4.30		26.50	0.30			31.10	£7,643.00
Posted time	25.10	0.00	52.90	1.40	3.25	8.95	101.90	£24,753.00

Unposted time

Total time

Total time costs/grade	9,538.00	11,902.50	252.00	1,596.50	390.00	1,074.00	24,753.00
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20 February 2019

**Axiom Displays Limited
(In Administration)**

**Joint Administrators' Summary of Receipts and Payments
To 22 January 2019**

RECEIPTS	Statement of Affairs (£)	Total (£)
Intercompany debt POP	Uncertain	0.00
Plant and Machinery	35,000.00	35,000.00
Office Furniture and Equipment	5,000.00	5,000.00
Stock	28,197.00	28,197.00
Surplus Debtors	32,230.60	32,230.60
Cash at Bank		238.73
Goodwill	40,000.00	40,000.00
Bank Interest Gross		45.26
Doubtful Debtor	Uncertain	0.00
Intercompany debt AMS	2,087.00	2,087.00
Customer contracts	1.00	1.00
Intellectual Property	1.00	1.00
Seller Records	1.00	1.00
		<hr/>
		142,801.59

PAYMENTS

Insolvency Bond	396.00
Pre Administration Costs	32,425.50
Administrators' Remuneration	24,400.00
Agent's and Valuer's Fees	750.00
Legal Fees	10,896.00
Statutory Advertising	71.15

68,938.65

Net Receipts/(Payments)	<hr/> 73,862.94
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MADE UP AS FOLLOWS

Interest Bearing Current Account	60,176.61
VAT Receivable / (Payable)	13,686.33
	<hr/>
	73,862.94


Thomas Edward Guthrie
Joint Administrator

BRI BUSINESS RECOVERY AND INSOLVENCY

CREDITORS' GUIDE TO FEES

Charge-out rates

Grade	Charge-out rate (£ per hour, charged in 6 minute units)
Directors/Insolvency Practitioners	295-380
Managers and Assistant managers	225
Administrators	155-180
Secretaries & Support Staff	120

Rates are subject to a periodic review and are likely to increase each April. A copy of our previous rates can be found on our website at www.briuk.co.uk

Agent costs

These are charged at cost based upon the charge(s) made by the Agent instructed. The term "Agent" includes:

- Solicitors/legal fees.
- Auctioneers/valuers.
- Accountants.
- Quantity surveyors.
- Estate agents.
- Other specialist advisors

Storage costs

Charged at actual cost incurred for storage (and retrieval, when appropriate) of records.

Other disbursements

Category	Basis of charge
Category 1	
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirements
Company searches	At cost incurred
Travel	At actual cost including train fare and all other public transport
Other	At actual cost charged
Category 2	
Mileage	Motor vehicle at 45p per mile from 6 April 2011
Room hire	Held at BRI offices: £50 Any other venue: at actual cost
Stationery	A standard £6.50 charge is made for all initial files with a further £1.17 or 85pence (dependent upon file type) for any additional files required
Photocopying	Specific calculation of 2 pence per sheet x number of creditors
Postage	Standard charge of £15 per case plus a specific calculation of postage cost x number of creditors
Storage	Case records stored in BRI's own facility will be charged at the same rate levied by external storage providers as follows. Box costs at £4.70 per box and storage charge of £7.60 per annum.