

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Accordial Wall Systems Limited	Company number 02286532
In the High Court of Justice, Chancery Division (full name of court)	Court case number 7688 of 2016

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

I/We (a)
Mark Phillips
PCR (London) LLP
St Martin's House
The Runway
South Ruislip
Middlesex, HA4 6SE

Julie Swan
PCR (London) LLP
St Martin's House
The Runway
South Ruislip
Middlesex, HA4 6SE


*Delete as
applicable

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

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

(b) 7 December 2016

Signed


Joint Administrator(s)

Dated

8 December 2016

Contact Details

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

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

Mark Phillips
PCR (London) LLP
St Martin's House
The Runway
South Ruislip
Middlesex, HA4 6SE

DX Number

020 8841 5252
DX Exchange

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

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COMPANIES HOUSE



**Accordial Wall Systems Limited
(In Administration)**

**Report and Joint Administrators' Proposals
to Creditors Pursuant to Paragraph 49
of Schedule B1 of the Insolvency Act 1986**

Incorporating

**Disclosure on Sale of Business and Assets Pursuant to
Statement of Insolvency Practice No16**

And

**The Joint Administrators' Fee Proposals to Creditors pursuant to
Statement of Insolvency Practice No9**

Issued 7 December 2016

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1 GLOSSARY

Administrators Mark Phillips and Julie Swan of PCR (London) LLP, St Martin's House, The Runway, South Ruislip, Middlesex, HA4 6SE

Appointer Directors – Pursuant to Paragraph 22, Schedule B1 Insolvency Act 1986

The Company Accordial Wall Systems Limited

The Joint Administrators' appointment was filed in the High Court of Justice, Chancery Division, Companies Court on 1 December 2016 and was effective from 4 21pm on that date

The references in this report to sections, paragraphs or rules are to the Schedule B1 of the Insolvency Act 1986 ("the Act") and the Insolvency Rules 1986 ("the Rules")

2 STATUTORY INFORMATION

Date of incorporation 12 August 1988

Previous Names N/A

Registered Office 35 Watford Metro Centre
Tolpits Lane
Watford
Hertfordshire
WD18 9XN

Previous Trading Address 35 Watford Metro Centre
Tolpits Lane
Watford
Hertfordshire
WD18 9XN

Company Number 02286532

Nature of Business 43999 - Other specialised construction activities not elsewhere classified

Court Reference High Court of Justice, Chancery Division, No 7688 of 2016

Share Capital 7,000 ordinary shares of £1 each

Shareholder	No. of Shares Held	Percentage Held
Accordial Group Holdings Limited	7,000	100%

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Directorships

Director	Appointed	Resigned
Nicolas James	03/08/2016	In Office
Stephen Bernard James	Unknown	In Office
David Landy	01/07/1999	In Office
Alistair Jackson	01/02/2003	In Office
Neil Martin Jolley	01/11/2007	01/09/2016

Charges

Creditor	Date Created	Date Repaid
HSBC Bank PLC	11/06/2013	12/06/2013

3 INTRODUCTION

- 3 1 We, Mark Phillips and Julie Swan, were appointed Joint Administrators of the Company on 1 December 2016 by the directors of the Company pursuant to Paragraph 22, Schedule B1 Insolvency Act 1986. The appointment was made with the consent of HSBC Bank plc ("HSBC" or "the Bank"), as holder of a qualifying floating charge. Notice of our appointment is attached at Appendix I.
- 3 2 This document, including its appendices, constitutes our first progress report and statement of proposals ("the Proposals") to creditors pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986.
- 3 3 In preparing this report, we have relied on information provided by the Directors and other third parties. Our investigations are continuing in relation to certain aspects and accordingly, it has not been possible to verify all such information. Therefore, we take no responsibility for the completeness or accuracy of this information or otherwise.
- 3 4 This report also contains disclosure on the sale of business and assets, which was effected immediately on our appointment by what is known as a "pre-packaged" or "pre-pack" sale following negotiations which commenced prior to our appointment. Further details on the background to the transaction and the terms of the sale are provided below in accordance with Statement of Insolvency Practice No 16 ("SIP16").
- 3 5 Also enclosed is our Fee Proposal, as required by Statement of Insolvency Practice No 9 ("SIP9"), which should be read in the context of this report generally.

4. PRE-PACKAGED SALE OF BUSINESS AND ASSETS - DISCLOSURE PURSUANT TO SIP16

4 1 Background to the Administration

- 4 1 Accordial Wall Systems Limited ("the Company") was incorporated 28 March 1995 and operated as manufacturer of bespoke and made to measure moveable walls and partition systems
- 4 1 1 The Company is controlled by its Board of directors, which at the date of our appointment comprised David Landy, Stephen James and Nicholas James
- 4 1 2 The Company's entire share capital is owned by Accordial Group Holdings Limited, a company registered in England & Wales. Accordial Group Holdings is a wholly owned subsidiary of Lionforce Limited, a company registered in England & Wales and of which David Landy and Stephen James are the beneficial owners
- 4 1 3 The registered office for the Company is 35 Watford Metro Centre, Tolpits Lane, Watford, Hertfordshire, WD18 9XN and trades from leasehold factory units at Unit 27-30, Kernan Drive, Loughborough, Leicestershire, LE11 5JF
- 4 1 4 The Company supplies and installs product manufactured by Accordial Manufacturing Limited ("Manufacturing"), a company with common directors and a subsidiary of Accordial Group Holdings Limited. Manufacturing is also in Administration and a sale of its business and assets was completed, in conjunction with the sale of the Company's business and assets, to the Purchaser
- 4 1 5 The Company has generally traded profitably over the years and has not previously been the subject of any insolvency proceedings, nor made any arrangement with its creditors
- 4 1 6 However, the Company has suffered from declining revenues in 2016 which in turn has resulted in cash flow issues
- 4 1 7 Nicholas James was appointed director in August 2016 with a mandate focused on business development. Whilst this was a positive step, it was not possible to achieve the required results as quickly as was necessary and cash flow difficulties intensified
- 4 1 8 The Company had use of an overdraft facility with HSBC, secured by fixed and floating charge debenture and cross guarantees from other group companies
- 4 1 9 Whilst efforts were made to reduce costs, the Company was unable to service accrued liabilities and in October 2016 the directors sought advice on the Company's position and Mr Gary Cole, a director in other group companies, made an introduction to PCR
- 4 1 10 It was clear at that stage that the Company's core business was good, but the group structure and the accrued historic liabilities clearly had to be dealt with

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- 4.1.11 As referred to below, the initial strategy was to propose a CVA, with a concurrent restructure of the group into a single trading entity. However, the success of the CVA and the ability to continue trading was largely dependent upon raising finance against its sales and application ledgers. Because of the nature of trade and the contracts against which monies would be raised, only a small number of invoice financiers will deal with the construction industry. Whilst terms of finance reached an advance stage, the financier had requested personal guarantees from the directors, which they were reluctant to give.
- 4.1.12 In the meantime, the directors had been approached by the Purchaser on a speculative basis, with an interest initially in acquiring the Company on a share sale basis. As a result of the Company's financial position that was clearly not an attractive proposition to the Purchaser, but they remained interested in the opportunity and expressed a willingness to acquire the business and assets.
- 4.1.13 During this time, a creditor ITS (Exeter) Limited ("ITS") had presented a statutory demand. Whilst there was disagreement as to the monies being claimed, the Company was not able to fully discharge the debt and instructed a solicitor to assist. ITS had indicated that they would proceed to present a winding up petition on the basis of the unpaid debt, which the Company would be unable to meet. Furthermore, other creditors had presented statutory demands and commenced action to obtain County Court Judgments. HM Revenue & Customs ("HMRC") had also issued notice of recovery action to be taken.
- 4.1.14 Having recognised the financial position, the directors again sought advice from PCR on the options available and Mark Phillips of PCR attended a meeting on 21 November 2016 with representatives of the proposed Purchaser, who confirmed that they would be willing to acquire the business and assets of the Company, but only on a "pre-packaged" sale basis upon Administration.
- 4.1.15 It was apparent that a sale of the business as a going concern was likely to achieve the best outcome for creditors, both in terms of enhanced asset realisations and avoidance of statutory redundancy costs and other claims from customers that would arise on cessation of trade.
- 4.1.16 Given the distressed state of the Company and impending payroll obligations, it was recognised that only a limited marketing period would be available and the reasons for this are detailed below.
- 4.1.17 A Notice of Intention to Appoint Administrators was served upon all relevant parties pursuant to rule 2.20(2) of the Insolvency Rules 1986 on 23 November 2016 which provided a moratorium on any legal proceedings being commenced or continued against the Company for a period of 10 business days.
- 4.1.18 During the moratorium period, we instructed Lambert Smith Hampton ("LSH") as agents to assist with marketing of the business and assets, further information in relation to all of which is provided within this report. LSH had already provided a valuation of the tangible assets, which we had commissioned shortly after receiving our initial instruction.
- 4.1.19 It was only possible to market the business for sale for a short period prior to completing a sale, as the Company's employees were due to be paid on 25 November 2016 which the Company did not have liquid resources to meet. It was therefore considered essential that a sale of the business and assets be completed as soon as possible, either on or very soon after that date, to avoid staff resigning their positions because of non-payment.
- 4.1.20 LSH undertook a marketing campaign which included an advertisement on their business for sale website, email communication to their database of industry relevant contacts and exposure on other forms of social media.

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4 1 21 It was apparent that the best opportunity for the continuity of the business and, in turn, recoverability for creditors would be achieved by the way of a sale to the proposed Purchaser, as the only party to have made an offer for the business and assets

4 1 22 A summary of the Company's historic trading performance is shown below

	Accounts To Year End 31 12 2014	Accounts To Year End 31 12 2013
	£	£
Turnover	5,627,360	5,279,933
Cost of Sales	(4,083,252)	(3,308,506)
Gross Profit	1,544,108	1,971,427
Administrative Expenses	(1,983,166)	(2,269,535)
Other operating income	453,250	359,473
Operating Profit	14,192	61,365
Interest Payable and Similar Charges	(9,538)	(10,522)
Profit/(Loss) for the financial year	37,059	49,513

4 1 23 It should be noted that these figures have been extracted from Company's accounts which have not been subject to detailed checks for accuracy and therefore may not reflect the Company's true trading position

4 2 Pre-appointment considerations and involvement

4 2 1 PCR were initially introduced to the Company by Mr Gary Cole, a director on 8 September 2016 PCR was known to Mr Cole as he had previously referred third party clients whilst in practice as an accountant

4 2 2 Mark Phillips first met with the directors, together with other group company directors and the Company's accountant, over concerns with the Company's financial position on 13 September 2016

4 2 3 Several meetings were subsequently held with the directors whilst proposals for a CVA were prepared and the position remained under constant review

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4.2.4 During this period it was apparent that the interests of the Company and that of its creditors would be best served by continuity of trading, as cessation would have resulted in far lower realisations and crystallised liabilities to employees in respect of notice and redundancy costs

4.2.5 The estimated liabilities in connection with the notice pay and redundancy would have amounted to in excess of £240,000 in the event that the Company ceased to trade

4.2.6 The following alternative options were considered, but not followed, for the reasons given below

a Third Party Investment / Finance

Any third-party investor would have had to advance substantial sums to fund working capital requirements and to deal with existing liabilities to restore the Company to solvency, which would be disproportionate to the revenue and profit generated by the business in its current form. Such an investment would be considered to be long term, with an uncertain return.

The directors/ultimate shareholders had declined to invest further into the businesses and that would be viewed with scepticism by any potential investor.

Raising finance against the ledger(s) has been considered closely, but that was in conjunction with a Company Voluntary Arrangement which had inherent difficulties referred to above and required personal guarantees which the directors were reluctant to give.

Whilst there was an opportunity to raise finance against unencumbered equipment, the fund realised would not have been sufficient to deal with the position.

b Company Voluntary Arrangement ("CVA")

Prior to receiving instruction in respect of the Administration a CVA was considered. This involved introduction of finance against the ledger. The CVA was not issued, but it involved a relatively complex restructuring of both the Company and Wall Systems into a new, single entity. Whilst the directors had made some progress in relation to finance arrangements, the financiers required personal guarantees which certain directors were reluctant to give, given their preference to exit the business in the short term.

No approaches had been made to creditors as to the acceptability of the proposals, which had in any event not been finalised as updated cashflow forecasts were awaited.

Outcome statement review indicated that the proposed return under an Administration would not be very different to that available under a CVA, but would be over an extended period.

During the process, the Companies' overdraft facilities across the group were reduced, which meant that the capacity to continue trading without interruption was restricted and could have left the Companies unable to service overheads and ongoing trading costs whilst the CVA notice period ran.

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Furthermore, ITS (referred to above) had indicated its intention to present a winding up petition, which would have further restricted the Companies' ability to trade in the notice period

In the circumstances, whilst the CVA might have been workable in the long term, the short-term circumstances did not allow its implementation and given the uncertainty, it would be difficult for the nominee to support it to creditors

c Liquidation

Compulsory Liquidation was likely to represent the worst outcome for creditors and for that reason, it was disregarded unless circumstances were to materially change

A Creditors' Voluntary Liquidation ("CVL") would have been a speedier process than Compulsory Liquidation and the notice period required prior to Liquidation commencing could have been used to market the business, with a sale to be completed prior to Liquidation or by the Liquidator, once appointed

However, this would have left the Company without any form of protection and the publicity of the pending winding up is likely to have damaged value in the business and impacted on the level of any offer as a prospective purchaser properly advised will be aware of the likely values in a Liquidation sale on a break up basis

A Liquidator would not trade the business in Liquidation due to the inherent risks of so doing, so the option presented no real benefit as far as preserving the goodwill or continuing to trade, which had been recognised as key to maximising returns

Alternatively, if the businesses ceased trading this would erode value in goodwill/customer relationships meaning that the Liquidator would struggle to glean any value for the business. Furthermore, the failure to service on-going contracts would put recoverability of the ledgers in jeopardy with susceptibility to counterclaim, dispute and set off

It was considered that CVL was not appropriate in the context of a proposed sale of business, but we advised the directors that if a sale could not be achieved, or if it was not possible to achieve an outcome that satisfied one of the statutory purposes of Administration, then Liquidation would be appropriate

d Continued trading in administration

Trading the business in Administration whilst seeking a buyer was considered

However, due to the nature of the business, it was difficult to gauge what the trading outcome would be in what would need to be, by necessity, a short trading period. Both the Company and Manufacturing needed to source supplies of raw materials and consumables and/or pay sub contracted installers and whilst it may be possible that certain contracts might be completed during a trading period, the likelihood is that it would only serve to increase work in progress ("WIP") value, rather than result in cash receipts in the Administration

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Furthermore, the Administrators would need some form of working capital finance. This represented a considerable risk for the proposed Administrators, and for creditors generally as it was conceivable that a period of trading would require funding by way of securing borrowing against, or the sale of, existing assets.

In addition, the cost of trading in Administration was likely to outweigh any direct benefit as the nature of the operation meant that various professional advisers would need to be employed by the Administrators to oversee compliance with regulations, in addition to the Administration team both on site and office based.

Given the nature of the business it is not advisable to achieve work out of the WIP in administration whilst seeking a buyer due to cost and risk considerations.

- 4.2.7 For the above reasons, it was considered appropriate to consider a pre-pack sale of business and assets.
- 4.2.8 The Board considered the options available and the advice we gave. As a result we were engaged to assist to place the Company into Administration and to assist with a proposed sale of business, including undertaking a marketing exercise in advance of being appointed Administrators to assess whether there were any other parties interested in the business.
- 4.2.9 Prior to the commencement of the Administration we advised the Board in relation to the Company's financial position and the options available. No advice was given to the directors regarding the impact of the insolvency of the Company on their personal financial affairs.
- 4.2.10 The directors have been fully cooperative throughout the process.
- 4.2.11 Whilst not formally in office at that time, our dealings with the Company prior to our appointment have been conducted in accordance with the Insolvency Code of Ethics.

4.3 Strategy and Purpose of the Administration

- 4.3.1 An Administrator must seek to achieve one of the statutory purposes of Administration as set out at Paragraph 3(1) Schedule B1 Insolvency Act 1986. These are
- a Rescuing the Company as a going concern, or*
 - b Achieving a better result for the Company's Creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or*
 - c Realising property in order to make a distribution to one or more secured or preferential creditors*
- 4.3.2 The statutory purposes are set out as a hierarchy and an Administrator should consider the likelihood of achieving each one in descending order.
- 4.3.3 In this case, it was not possible to achieve purpose (a) as it was not possible to refinance or restructure the Company's affairs sufficiently that it could continue trading after Administration. This is largely due to the level of creditors compared to the value of assets against which finance could be raised, which would mean a CVA would be required to obtain creditor approval and this was not considered feasible for the reasons given above.

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- 4 3 4 It was apparent that the best outcome for creditors would be to pursue objective (b) and to achieve this by way of a sale of business and assets in a scenario that enabled the business to continue trading as this was likely to maximise recoveries from the Company's ledgers
- 4 3 5 In relation to objective (c), HSBC hold a fixed and floating charge debenture over the assets and undertaking of the Company. Given the level of realisations, it is anticipated that the Bank is fully secured in respect of its indebtedness, on the basis that realisations will be enhanced by the preservation of business
- 4 3 6 No preferential claims are expected as employees transferred automatically under the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 upon sale of the business
- 4 3 7 Accordingly, purpose (c) is not applicable in this case

4 4 Valuation of the business and assets

- 4 4 1 Valuation and asset disposal agents Lambert Smith Hampton ("LSH"), were engaged prior to our appointment to advise and assist with the proposed sale of business, to include marketing the business for sale and to provide valuations of the Company's assets
- 4 4 2 LSH have confirmed that they have had no prior professional relationship with the Company or its shareholder and no involvement or connection, professional or personal, with any of the Company's directors or personnel. LSH are registered with the Royal Institution of Chartered Surveyors (RICS) and conducted the valuation in accordance with the RICS publication "Valuation – Professional Standards January 2014". LSH carry appropriate professional indemnity insurance
- 4 4 3 Valuation of the tangible assets was provided after an onsite visit conducted by LSH on 21 September 2016
- 4 4 4 The assets were valued on a going concern basis against that which was likely to have been achieved on a forced sale basis. We obtained valuations on these bases so that we could compare the outcome for creditors in the context of any offers received for the business and/or assets against the outcome in the event that the business was to cease trading
- 4 4 5 LSH provided the following valuation

	Book Value £	In Situ £	Forced Sale £
Goodwill	Nil	Uncertain	Uncertain
Office Equipment & Furniture	116,532	9,515	3,000

- 4 4 6 It was not possible to base a valuation of the goodwill on a strict accounting basis, such as a multiple of EBITDA, either historic or future as the Company had suffered losses and the future structure of the business was likely to be very different. Furthermore, the inherent value in customer relationships would be preserved by completion of existing contracts and fulfilment of rectification works, the cost of which might not be covered from the residual contract value, meaning that there is an inherent risk in adoption of contracts

4 5 Marketing of the business and assets

- 4 5 1 PCR were engaged to assist with marketing the business and negotiating a sale
- 4 5 2 A Business Information Memorandum was prepared and LSH, asset and business valuation and sale experts were engaged to assist with marketing the business for sale. LSH undertook the following
- Prepared an advertisement giving summary information on the business for sale,
 - Published the advertisement on their business for sale website,
 - Issued the advertisement by email to 12,000 industry relevant contacts
 - Published the opportunity on other social media
- 4 5 3 The marketing exercise commenced on 22 November 2016 and was initially to be undertaken for a period of 3 days with a deadline for expression of interest to be made by midday 24 November 2016. As referred to above, it was necessary to undertake a shorter marketing period that would have been desirable as a result of the immediate cash need to make pay employees on 25 November 2016.
- 4 5 4 In the event no expressions of interest were received by the deadline. For contingency planning purposes the advertisement remained live online after the deadline, whilst the sale was negotiated with the Purchaser.
- 4 5 5 The only offer received was from the Purchaser.
- 4 5 6 The Purchaser is a third party entity in which we understand none of the existing directors or beneficial owners have any investment, directorship or shareholding.
- 4 5 7 It was apparent that acceptance of the offer and proceeding with a pre-pack sale would result in a better outcome for creditors than could be achieved in Liquidation. It would also ensure continuity of employment for its 31 staff members, and a further 40 staff in Manufacturing, which completed concurrently.
- 4 5 8 The proposed Administrators assessed the offer and negotiated in relation to certain points.
- 4 5 9 In the circumstances, the offer was acceptable subject to contract and subject to the appointment of Administrators.

4 6 Details of the sale of business and assets

- 4 6 1 It was clear that the offer from the Purchaser represented the best option available to creditors in the circumstances.
- 4 6 2 It will be noted that the Purchaser is a limited company in which the directors do not have any shareholding or current directorship positions. We do understand that the directors have negotiated separately with the Purchaser in relation to a sale of intellectual property rights held by Lionforce Limited, the Company's ultimate parent. For the avoidance of doubt, the Joint Administrators have not been party to the negotiations in this regard and have not been advised of the structure of this transaction.

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4 6 3 The sale of business and assets as a going concern was completed with the Purchaser on 1 December 2016 and documented by Sale and Purchase Agreement prepared by Veale Wasbrough Vizards solicitors, acting for the proposed Administrators. The Purchaser was represented by George Green solicitors.

4 6 4 The consideration payable is £25,001 apportioned as follows

Asset	£
Goodwill	5,000 00
Office furniture & equipment	5,000 00
Existing contracts/work in progress	15,000 00
Prepayments	0 50
Total	25,000 50

4 6 5 The consideration for the business and assets was paid in full on completion and there is no element of deferred consideration.

4 6 6 We can confirm that the sum payable on completion has been received in full.

4 6 7 The sale agreement also provided that the Purchaser will assist with recovery of the Company's sales, application and retentions ledgers, for which it will be paid 25%, 35% and 50% respectively on funds collected and received in the Administration. The sale of business and assets will facilitate enhanced recoveries of these ledgers, which will facilitate the anticipated returns to creditors.

4 6 8 As no part of the consideration is payable on deferred terms, it was not necessary to take any form of security.

4 6 9 For the avoidance of doubt there are no other deferred terms of payment, any consideration geared to future performance, no buy-back arrangements or any options attached to the sale and purchase agreement.

4 6 10 The sale and purchase agreement provides that the Purchaser will not be entitled to any refund of the consideration paid in respect of any part of the business or assets. Furthermore, no refund will be given if any asset(s) is deemed to be subject to valid third party rights and there are no other clauses that could affect the level of consideration paid.

4 6 11 No warranties or guarantees have been given to the Purchaser in respect of any of the assets transferred.

4 6 12 The Company's assets were valued by LSH and whilst the values achieved in respect of certain classes of asset are less than the valuation figures, the consideration paid must be considered in the context of the overall outcome,

4 6 12 1 First consideration is that the value paid exceeds that which it was estimated would be achievable on a break up basis.

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4 6 12 2 Secondly, in the event that a sale of business had not been achievable and the business ceased to trade with the assets being sold on a break up basis, liabilities to employees in respect of notice and redundancy costs would have arisen, which would have served to dilute the sum available to creditors considerably

4 6 12 3 Finally, it is anticipated that the sale of business will also facilitate a more successful collection of its sales, application and retentions ledgers than would be possible if the Company had ceased trading and possibly even if the business had been sold to a third party, as the likelihood of termination and counterclaims was markedly reduced

4 6 13 An estimated outcome statement is attached to this report and a summary is provided below, showing the outcome for secured creditors on a dividend basis in each scenario

	Estimated Outcome in Liquidation £	Estimated Outcome in Administration £
Total Floating Charge Realisations before Costs	131,885	652,231
Assets Available to Preferential Creditors, after costs	46,852	323,569
Preferential Creditors (estimated based on statutory limit)	(46,600)	Nil
Available to Floating Charge Holder (after prescribed part)	252	255,855
Due to Bank *	(67,997)	(62,997)
Shortfall to Bank	(67,745)	Nil
Available to Unsecured Creditors (including prescribed part)	Nil	260,572
Unsecured Creditors	1,554,802	1,275,121
Dividend to Creditors – p in the £	0 00p / £	20p / £

* Note – liability to Bank may be increased in Liquidation as a result cross guarantee liabilities

4 7 Other information

4 7 1 The sale is between the Purchaser, the Company and the Administrators and is part of a wider transaction which involves the sale of the business and assets of Manufacturing, which was completed simultaneously to Purchaser upon our appointment as Administrators of both entities

4 7 2 We are aware that the directors had given personal guarantees to HSBC It is anticipated that HSBC indebtedness will be discharged out of realisations in the Administration in accordance with the order of priorities that their fixed and floating charge security affords

4 7 3 The Purchaser was independently advised in relation to the acquisition of the business and assets, the implications of the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") and other considerations

4 7 4 Pre-Pack Pool

As the sale was to a third party entity, the provisions in SIP16 relating to the Pre-Pack Pool are not applicable

4 7 5 **Viability Statement**

As the sale was to a third party entity, the provisions in SIP16 relating to the Pre-Pack Pool are not applicable

4 8 **Conclusion**

4 8 1 The sale of business and assets to the Purchaser by way of pre-packaged sale was considered to be the best available in the circumstances as realisations, coupled with ancillary commitments by the Purchaser in respect of the adoption of TUPE liabilities, have resulted in an outcome that is expected to be far better than would have been possible in Liquidation and has served to achieve the purpose of the administration in accordance with Paragraph 3(b), Schedule B1 Insolvency Act 1986, namely *"achieving a better result for the company's creditors as a whole that would be likely if the company were wound up (without first being in administration)"*

5 **PROGRESS OF THE ADMINISTRATION**

- 5 1 During the Administration we have complied with our statutory obligations to notify the Company and Companies House of our appointment and arrange for notice to be advertised in the London Gazette
- 5 2 We have prepared this report to creditors and convened a meeting of creditors, as required by Schedule B1 Insolvency Act 1986
- 5 3 We have implemented procedures to deal with monitoring the collection of the book debt ledger in conjunction with the Purchaser, per the terms of the sale and purchase agreement and we have liaised with the Bank in relation to dealing with funds they receive
- 5 4 We have commenced information gathering exercises in relation to our review of the Company's affairs and we continue to liaise with the Company officers in this respect

Accordial Wall Systems Limited (In Administration)
Report to Creditors and Statement of Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the
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6 FINANCIAL RESULTS

6.1 The Company has filed statutory accounts up to December 2014, a summary is provided below

	Accounts to Year Ended 31 December 2014 £	Accounts to Year Ended 31 December 2015 £
Fixed Assets		
Tangible assets	197,143	239,159
Current Assets		
Stock	104,827	91,200
Debtors	3,014,058	2,728,184
Cash at Bank and in Hand	-	11,580
	3,118,885	2,830,967
Creditors (Amounts falling due within a year)	(1,358,819)	(1,392,046)
Net Current Assets	1,760,066	1,438,918
Total Assets Less Current Liabilities	1,957,209	1,678,077
Creditors (Amounts falling due after more than one year)	(778,406)	(534,450)
Provision for Liabilities		
Deferred tax	(18,185)	(20,068)
Net Assets	1,160,618	1,123,559
Capital and reserves		
Called-up share capital	7,000	7,000
Capital redemption reserve	3,000	3,000
Profit and loss account	1,150,618	1,113,559
	1,160,618	1,123,559

7 PURPOSE OF THE ADMINISTRATION

7.1 As Joint Administrators, we must perform our function with the purpose of achieving one of the following statutory objectives as set out in paragraph 3(1) of Schedule B1 of the Insolvency Act 1986

Rescuing the Company as a going concern, or

- *Achieving a better result for the Company's Creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or*

Realising property in order to make a distribution to one or more secured or preferential creditors

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The purposes are set out as a hierarchy, therefore the rescue of a company is the priority. If this cannot be achieved the next objective is to achieve a better return to the creditors, as a whole, and then to realise assets for the benefit of the preferential or secured creditors.

(a) Rescuing the Company as a going concern

We considered arrangements which might have enabled this outcome to be achieved, but the financial circumstances of the Company mean that this would not be possible. No third party funding was available and was unlikely to be secured for the reasons given at Paragraph 4.2 above.

(b) Achieving a better result for the Company's creditors as a whole

The Joint Administrators are pursuing this purpose by way of the sale of business and assets in a scenario that enabled the business to continue trading as this was likely to maximise recoveries for the assets and preserve collectability of the sales ledger. Detailed information on the sale is provided within this report.

(c) Realising property in order to make a distribution to one or more secured or preferential creditors

As we are seeking to achieve the second statutory objective, we will not be pursuing the third statutory objective.

8 STATEMENT OF ESTIMATED FINANCIAL POSITION

8.1 At the date of preparing this report, a statement of affairs had not been submitted by the directors and the Statement of Estimated Financial Position attached at Appendix II has been prepared by us, based on information available. Whilst the position is not expected to alter materially to that stated, creditors will note that the stated values of assets and liabilities in some respects may be subject to confirmation and future adjustment.

8.2 The following notes provide further detail, where appropriate, on certain entries on the attached estimated statement of affairs.

8.3 Creditors' attention is drawn more specifically to the Estimated Outcome Statement at Appendix III, which gives an estimate of the funds likely to be available to creditors after costs and expenses are taken into account (which do not feature in the Statement of Affairs).

8.4 Assets

8.4.1 Leasehold Property

8.4.1.1 The Company occupies leasehold premises at Units 27-30, Kernan Drive, Loughborough, Leicestershire, LE11 5JF. We understand that the leases have expired and the Company as tenant at will, with the consent of the landlord. The landlord is Lionforce Limited, a Company associated by common Directors.

8.4.2 Applications for Payment/Interim Payments

8.4.2.1 The Company has outstanding Applications for interim and final payment. In the event the Company ceased to trade the extent of the recoverability of that debt is uncertain and a 80% provision has been made for the purposes of the Estimated Financial Position Statement to reflect the high proportion of customers with ongoing works which are likely to withhold payment if the Company is unable to complete contractual obligations. An estimate of the dividend that might be received in Administration is reflected on the Estimated Outcome Statement.

8.4.2.2 The sale of business has facilitated the continued trading and fulfilment of ongoing contracts and it is considered that this will enhance collections considerably, as reflected on the Estimated Outcome Statement at Appendix III, where a reduced provision of 25% has been made for reasons of prudence. The sale and purchase agreements provide that the Purchaser will act as agent to the Joint Administrators in collection of outstanding Applications, for which it will be paid a commission of 35% of all sums recovered and received in the Administration.

8.4.3 Retentions

8.4.3.1 The Company has outstanding Retentions, being sums withheld by customers on an agreed basis from interim and final payments to cover the cost of remedial work and repair once a contract is complete. In the event the Company ceased to trade the extent of the recoverability of that debt is uncertain and a 90% provision has been made for the purposes of the Estimated Financial Position Statement to reflect the high proportion of customers with ongoing works which are likely to withhold payment if the Company is unable to complete repairs. An estimate of the dividend that might be received in Administration is reflected on the Estimated Outcome Statement.

8.4.3.2 The sale of business has facilitated the continued trading and fulfilment of ongoing contracts and it is considered that this will enhance collections considerably, as reflected on the Estimated Outcome Statement at Appendix III, where a reduced provision of 50% has been made for reasons of prudence. The sale and purchase agreements provide that the Purchaser will act as agent to the Joint Administrators in collection of outstanding Retentions, for which it will be paid a commission of 50% of all sums recovered and received in the Administration.

8.5 Liabilities & Dividend Prospects

8.5.1 Secured creditors

8.5.1.1 The Company had given a debenture to HSBC Bank plc containing fixed and floating charges over the Company's assets.

8.5.1.2 The charge was created on 11 June 2013 and registered at Companies House on 12 June 2013.

8.5.1.3 The charge is a Qualifying Floating Charge, in accordance with the provisions of the Insolvency Act 1986.

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8 5 1 4 The Company is also guarantor in respect of the secured liabilities of Wall Systems and associated companies as a result of cross guarantees across the group. Based on current information, it is anticipated that there will be sufficient realisations in the Administration of the Company to avoid the guarantee provisions becoming operative.

8 5 1 5 We understand that the liability to the Bank as at the date of our appointment was £164,293.

8 5 2 Prescribed Part

8 5 2 1 The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the Administrator must make a prescribed part of the company's net property available to the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

8 5 2 2 As stated above, a fixed and floating charge was created after 15 September 2003 therefore, the prescribed part provisions apply.

8 5 2 3 Based on information currently held, it is estimated that the Company's net property will be £244,494, out of which the sum of £51,899 will be set aside under the prescribed part provisions. More detailed workings in this respect are given in the Estimated Outcome Statement attached at Appendix III.

8 5 3 Preferential creditors

8 5 3 1 The Company had a total of 31 permanent staff members all of whom were transferred to the Purchaser automatically under the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 upon sale of the business. Accordingly, there are no preferential claims from employees in the Administration.

8 5 4 Unsecured creditors

8 5 4 1 There are approximately 88 unsecured creditors, a schedule of which is provided at Appendix IV.

8 5 4 2 Creditors are not necessarily prejudiced if the value of their claim stated in this report differs to that reflected in their own records. Creditors are invited to prove their claims and further information may be sought specifically if a dividend becomes payable.

8 5 4 3 On present information it would appear that there will be sufficient realisations to facilitate a distribution to unsecured creditors however the quantum and timing of this is currently unknown.

9 INVESTIGATIONS

- 9 1 As required under the provisions of the Company Directors' Disqualification Act 1986 we are required to undertake certain enquiries in order to submit a report to the Insolvency Service on the conduct of all directors who have held office in the last 3 years
- 9 2 Work is continuing in this regard to enable us to fulfil our obligations in this area, however we would ask you to note that our report to the Insolvency Service is confidential and we are unable to disclose its contents
- 9 3 If any creditor has any information that could be of assistance to us in this regard or in fulfilling our role generally they are asked to provide it as soon as possible

10 JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

- 10 1 The information provided below in relation to our remuneration is provided for creditors' information in accordance with Statement of Insolvency Practice No9 and as required by the Insolvency Act 1986 and Insolvency Rules 1986

10 2 Pre-Appointment Remuneration & Costs

- 10 2 1 We were initially approached by the Directors to advise in relation to the Company's affairs. We advised generally and were engaged in preparation of a Company Voluntary Arrangement. We received the sum of £20,000 on account and confirm that our time costs exceeded that sum. We are not seeking to recover any unpaid time relating to that aspect of our involvement with the Company.
- 10 2 2 Subsequently, because of changing circumstances as detailed within this report, we were engaged to advise and assist in placing the Company into Administration. Having assessed the position, we were engaged to assist with a sale of business and assets on a pre-packaged basis.
- 10 2 3 Our accrued time costs for assisting the Company prior to our appointment as Administrators (referred to as our "pre-appointment" fees or costs) are £9,950.75.
- 10 2 4 We have not received any fees to date in relation to our pre-appointment costs relating to the work we undertook specifically in relation to the Administration and the proposed sale of business. We are seeking resolution that we are able to recover those costs as an expense of the Administration. For the avoidance of doubt, we are not seeking to recover any costs incurred prior to being instructed to advise and assist in relation to the sale of business and assets by way of pre-packaged sale of business in Administration.
- 10 2 5 We have attached a copy of our pre-appointment SIP9 report which details the work undertaken in the lead up to the Administration, along with the hours properly spent by us and our staff.
- 10 2 6 The following statement sets out pre-appointment fees and expenses incurred and the basis on which they are charged.

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	Nature of Work	Fee Basis	Total Fee Charged £
PCR (London) LLP	Professional fees	Time costs	9,950 75
Lambert Smith Hampton	Valuation Agents	Time costs	3,000 00
Veale Wasbrough Vizards LLP	Legal	Time costs	6,750 00
Total			

10 2 7 The statement below shows those fees and expenses that were paid prior to the Administration and the balance, for which approval is being sought to pay from Administration funds as an expense of the Administration

Agent	Fee charged £	Expenses £	Paid £	Balance £
PCR (London) LLP	9,665 75	0 00	0	9,950 75
Lambert Smith Hampton	3,000 00	171 76	0	3,171 76
Veale Wasbrough Vizards LLP	6,750 00	50 00	0	6,800 00
Total	19,405 75	221.76	0	19,922 51

10 2 8 Lambert Smith Hampton ("LSH") – the services provided by LSH include

- Attendance at the Company's premises to undertake valuations and obtain documentation
- Review of documentation and assessing the value of the respective assets
- Preparing schedules of assets
- Valuation of Company's tangible assets including leasehold interests and provision of a report thereon
- Preparing and coordinating a marketing strategy, liaising with PCR and reporting accordingly

10 2 9 Veale Wasbrough Vizards LLP ("VWV") – the services provided by VWV included

- Advising in relation to issuing a Notice of Intention to Appoint Administrators
- Preparing necessary documentation and arranging filing at Court
- Preparing a sale and purchase agreement and advising the proposed Administrators thereon
- Preparing documentation to confirm appointment of Administrators and arranging filing at Court
- Dealing with formalities of completion of the sale of business and assets

10 2 10 If a committee is appointed, then we will initially seek approval from the committee for payment of the pre-appointment fees and expenses that have not yet been paid

10 2 11 If the committee does not approve those fees, or it approves the fees at a level that we feel is insufficient, we are able to seek approval from a meeting of creditors or, failing that, from the Court

10 2 12 If a committee is not appointed, then since the pre-appointment fees and expenses that have not yet been paid cannot be approved within these proposals, we are seeking a separate resolution to approve them

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10 3 Post Appointment Remuneration

- 10 3 1 Our remuneration for acting as Joint Administrators may be fixed either as a percentage of the value of the property with which we have to deal, as a fixed amount or by reference to time spent at our firm's hourly rates
- 10 3 2 Due to changes in the way in which Administrators must report to creditors for the basis of remuneration to be approved, a detailed fee proposal is attached to this report at Appendix X. Creditors are asked to read that report in detail, in conjunction with this report in order that they are able to understand the context in which the basis of our remuneration is being proposed
- 10 3 3 Whilst the approval of the basis of our remuneration as Administrators usually forms part of the proposals for which we are seeking approval, we propose a separate resolution in relation to our remuneration, given the change in rules and the different bases proposed
- 10 3 4 Please note that if a creditors' committee is appointed then we will seek approval from the committee instead
- 10 3 5 Further guidance may be found in Statement of Insolvency Practice No9, "A Creditors' Guide to Administrators' Fees" which may be downloaded from the following web address
- <http://www.icaew.com/en/technical/insolvency/creditors-guides>
- 10 3 6 Copies of the guide are available and will be sent to you on request to this office
- 10 3 7 The Insolvency Rules 1986 provide that when a Company is placed in Liquidation after Administration pursuant to paragraph 83 Schedule B1 Insolvency Act 1986, the Administrators' agreed fee basis also applies to the Liquidators. However, please note that we consider that it would not be appropriate, in the context of the provisions of Statement of Insolvency Practice 9, to base our fees as Liquidators on that basis and therefore we will be seeking separate approval for our remuneration for acting as Liquidators once we are appointed as such. At that stage we will be in a position to report to creditors on the outcome at that stage and creditors will be invited to agree the remuneration based on that information

10 4 Joint Administrators' Expenses

10 4 1 Category 1

- 10 4 1 1 Category 1 disbursements are those that represent out of pocket costs and expenses that relate directly to and are recharged and recoverable out of the insolvent estate, at cost, without any application of administrative fee or element of profit
- 10 4 1 2 Expenses incurred to date are detailed below. We have not yet been reimbursed for any expenses incurred in this matter and detail below the following expenses which have been incurred but not reimbursed

Disbursement	Incurred £	Paid £	Balance £
Statutory Advertising	73	Nil	73
Total	73	Nil	73

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10.4.2 Category 2

10.4.2.1 Category 2 disbursements are those that include an element of profit charged by an office holder's practice. For the avoidance of doubt, it is our firm's policy not to make any charges that would be considered to be Category 2 disbursements and therefore none have been incurred in this matter.

10.5 Professional Fees

10.5.1 Professional advisers were selected on the basis that they have the appropriate experience and qualification to effectively deal with the issues arising in a case of this nature. A schedule of the costs incurred to date is below:

Agent	Services Provided	Fee Basis	Fee Charged £
Veale Wasbrough Vizards LLP	Legal	Time Costs	370.50

10.5.2 The fee charged by solicitors in the post-appointment period includes time spent on dealing with formalities of notification of our appointment as Administrators and dealing with the completion of the sale of business and assets. We have reviewed the charges and the basis on which they have been made and are satisfied that they are reasonable in the circumstances of this case.

10.5.3 Expenses do not have to be approved, but when reporting to the committee and creditors during the course of the Administration the actual expenses incurred will be compared with the original estimate provided and we will explain any material differences (e.g. where legal costs rise due to escalated recovery action).

11 JOINT ADMINISTRATORS' PROPOSALS

11.1 In order to achieve the objective and purpose of the Administration and to enable us to fulfil our roles and duties as Joint Administrators in relation to the Company, we formally propose to creditors that we:

- (i) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals, specifically,

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- a That we implement any remaining provisions of the terms of the sale and purchase agreement,
 - b That we take whatever steps as we consider necessary, appropriate or expedient in relation to realisation of the Company's sales ledger and the agency agreement with the Purchaser,
- (ii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company,
 - (iii) The Joint Administrators be authorised to make a distribution to any secured or preferential creditor in accordance with Paragraph 65, Schedule B1 of the Act,
 - (iv) In the event that the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, they shall, on completion of their administration, be authorised to file a notice of dissolution of the Company pursuant to paragraph 84 of Schedule B1 to the Act,
 - (v) In the event that there will be a dividend to unsecured creditors the Joint Administrators shall seek to place the Company into Creditors' Voluntary Liquidation in order to effect a distribution. In such circumstances the Joint Administrators propose that they will be appointed as Joint Liquidators. In accordance with Paragraph 83(7) of Schedule B1 of the Act and Rule 2.117(3) of the Rules, creditors are able to nominate a different person or persons as proposed Liquidator or Liquidators, provided that the nomination is made after the receipt of the proposals and before they are approved,
 - (vi) As an alternative to paragraphs (iv) and (v) the Joint Administrators be able to petition to place the Company into Compulsory Liquidation in order to pursue such actions and bring proceedings that it would be more appropriate to conduct in Liquidation and/or more appropriate that the Official Receiver acts in the Liquidation,
 - (vii) Upon the placing of the Company into Liquidation or upon the necessary form being filed for the Company to be dissolved, the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98, Schedule B1 of the Act,
 - (viii) Upon the placing of the Company into Liquidation, the Joint Liquidators be authorised to act in a joint and several capacity

As a separate resolution, in relation to the basis of the Administrators' remuneration, we propose

- (i) We be authorised to be remunerated on differing basis depending upon the work being undertaken, as detailed within our fee proposal at Appendix X
 - a) We will charge a fixed fee of £20,000 for dealing with statutory matters,
 - b) 20% percent of assets realised
 - c) Time costs for undertaking creditors' claims and our investigation into the Company's affairs, subject to the fee estimate provided in the attached report

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12 MEETING OF CREDITORS – APPROVAL OF PROPOSALS

- 12 1 A meeting of creditors will be held by correspondence to consider and vote on the formal proposals to achieve the objective of the Administration of the Company
- 12 2 Notice of conduct of business by correspondence (Form 2 25B) and a proof of debt form are enclosed. You can only vote at the meeting by correspondence if you complete and return the proof of debt form and Form 2 25B, having completed the voting section of the form
- 12 3 We must receive your completed forms by no later than noon on 22 December 2016
- 12 4 You are not required to vote at the meeting by correspondence, and if you do not do so then this will not affect your rights to prove as a creditor against the Company. Creditors whose claims are wholly secured are not entitled to vote at the meeting by correspondence, unless they value their security
- 12 5 The meeting of creditors by correspondence gives creditors the opportunity to appoint a creditors' committee. A committee is made up of between three and five representatives of creditors who will then meet us on a regular basis to discuss the Administration of the Company. If a committee is appointed then it will be for them to approve pre-appointment costs and expenses and the basis of our remuneration
- 12 6 If a committee is not appointed then the separate resolution as reflected on Form 2 25B to approve pre-appointment costs and expenses will be taken
- 12 7 The approval of our post appointment remuneration will be considered by way of separate resolution, as detailed above
- 12 8 We are holding a meeting by correspondence in order to save costs, but any creditor, or group of creditors, whose debts amount to at least 10% of the total debts of the Company may require us to summon an actual meeting of creditors to consider these proposals. Such a request must be made on Form 2 21B within 5 business days of the date of these proposals

13 FURTHER INFORMATION

13 1 Creditors' Rights

- 13 1 1 In accordance with Rule 2 48A of the Insolvency Rules 1986 and within twenty-one days of receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the **unsecured** creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses, which have been itemised in this report
- 13 1 2 In accordance with Rule 2 109 of the Insolvency Rules 1986 any secured creditor, or an unsecured creditor (**with** the concurrence of at least 10% in value of the unsecured creditors) may within eight weeks of receipt of this report make an application to Court on the grounds that the basis fixed for the Administrators' remuneration, the remuneration charged or the expenses incurred by the Administrators as set out in this report are excessive

13 2 Professional Indemnity Insurer

13 2 1 Our Professional Indemnity Insurer is Ascent Underwriting, London Underwriting Centre, 3 Minster Court, Mincing Lane, London, EC3R 7DD. The territorial coverage is in relation to appointments taken and work conducted in the UK.

13 3 Complaints Procedure

13 3 1 In the event that you are not satisfied with the actions of the Joint Administrators, you have the right to complain. Initially such complaints should be referred to Sam Talby of this office. We undertake to look at any complaint carefully and promptly and to do all that we can to explain the position to you.

13 3 2 Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that

13 3 3 licences the insolvency practitioner concerned. Any such complaints should initially be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, or you may email ip.complaints@insolvency.gov.uk, or you may phone 0300 678 0015. Calls are charged at between 1p and 10 5p per minute from a land line, for mobiles, between 12p and 41p per minute if you're calling from the UK.

13 4 EC Regulations

13 4 1 The EC Regulation on Insolvency Proceedings 2000 applies to this Administration. The proceedings are main proceedings as defined by Article 3 of the EC Regulation. The Company's centre of main interest is England as this is the location of the Company's registered office and only trading functions.

14 SUMMARY

14 1 If creditors or members have any queries regarding the proposals or the conduct of the Administration in general, they should contact Hannah Gardner on 020 8841 5252.



Mark Phillips
Joint Administrator

Mark Phillips and Julie Swan were appointed Joint Administrators of Accordial Wall Systems Limited on 1 December 2016. The Joint Administrators act as agents of the Company and contract without personal liability.

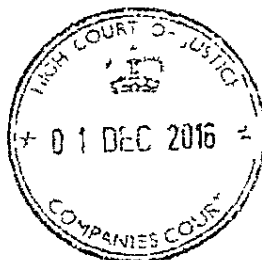
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Appendix I

Notice of Appointment of Administrators

Notice of appointment of an administrator by company or director(s)

(where a notice of intention to appoint has been issued)



Name of Company
Accordial Wall Systems Limited

Company number
02286532

In the High Court of Justice
Chancery Division
Companies Court

(for court use only)
Court case number
CR-2016-7688

(a) Insert name and address of registered office of the company

1 Notice is given that, in respect of Accordial Wall Systems Limited of 35 Watford Metro Centre, Tolpits Lane, Watford, Hertfordshire, WD18 9XN (the "Company")

~~the company~~ the directors of the company ("the appointor") hereby appoints

Mark Phillips and Julie Swan of PCR (London) LLP, St Martin's House, The Runway, Ruislip, Middlesex HA4 6SE
as administrator(s) of the company

**Delete as applicable*

(b) Give name(s) and address(es) of administrator(s)

2 The written statement(s) in Form 2.2B ~~is/are~~ are attached

3 The appointor is entitled to make an appointment under paragraph 22 of Schedule B1 to the Insolvency Act 1986

4 This appointment is in accordance with Schedule B1 to the Insolvency Act 1986

**Delete as applicable*

5 The company ~~is/are~~ is not **an insurance undertaking / a credit institution / an investment undertaking providing services involving the holding of funds or securities for third parties / or a collective investment undertaking under Article 1.2 of the EC Regulation*

(c) Insert whether Main secondary or territorial proceedings

6 For the following reasons it is considered that the EC Regulation will apply. If it does apply, these proceedings will be main proceedings as defined in Article 1 of the EC Regulation. The Company's registered office and centre of main interests is at 35 Watford Metro Centre, Tolpits Lane, Watford Hertfordshire, WD18 9XN

7 Where there are joint administrators, a statement for the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 is attached

(d) Insert date

8 The appointor has given written notice of the intention to appoint in accordance with paragraph 26(1) of Schedule B1 to the Insolvency Act 1986 and a copy of that notice was filed at court on 23 November 2016

and ** (a) five business days have elapsed from the date of the notice, or*

** (b) each person to whom the notice was sent has consented to this appointment*

**Delete as applicable*

(c) Insert name and address of person making declaration

I, Stephen James of Glen Cottage, 114ourise, Rickmansworth, WD3 4JZ, a director
(If making the declaration on behalf of appointor indicate capacity e.g. director/solicitor)

hereby do solemnly and sincerely declare that

- (i) the information provided in this notice and
- (ii) the statements made and information given in the notice of intention to appoint

are, and remain to the best of my knowledge and belief, true.

AND I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1835

Declared at 28 Church Street Rickmansworth

Signed [Signature]

Went WD3 4JZ

This 30th day of November 2016

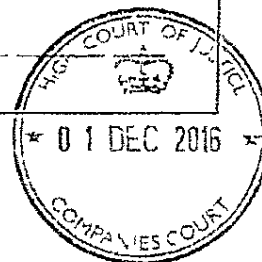
before me IC [Signature]

A Commissioner for Oaths or Notary Public or Justice of the Peace or Solicitor or Duly Authorised Officer

(f) Insert date and time

Endorsement to be completed by court

This notice was filed (f) 14.21pm



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Appendix II
Statement of Estimated Financial Position assuming all liabilities crystalize at 1 December 2016

Accordial Wall Systems Limited - In Administration

Estimated Financial Position assuming all liabilities crystalize as at 1 December 2016

ASSETS	Accordial Wall Systems Limited	
	Book Value	Liquidation
	£	£
<u>Subject to Specific Pledge</u>		
<u>Subject to Fixed Charge</u>		
Leasehold Property	0	0
Leasehold Improvements	13,221	0
Goodwill, Intellectual Property Rights, R&D	0	0
	<u>13,221</u>	<u>0</u>
Less Due to Fixed Charge Holder - HSBC Bank plc	(67,997)	(67,997)
Surplus / (Deficiency c/d)	<u>(54,776)</u>	<u>(67,997)</u>
<u>Subject to Floating Charge</u>		
Fixed Charge surplus b/d	0	0
Plant & Machinery / Office Furniture & Equipment	110,865	3,000
Stock & Work in Progress	52,624	0
Retentions	334,408	66,882
Applications pending approval	620,034	62,003
Work in Progress / Future Applications / Customer Contracts	507,967	0
Inter-Company Debtor - Brockhouse Modernfold	34,801	0
Prepayments	75,327	0
Total Assets Available to Preferential Creditors	<u>1,736,026</u>	<u>131,885</u>
LIABILITIES		
<u>Preferential Creditors</u>		
Arrears of Salary		(25,600)
Holiday Entitlement (assume all one week)		<u>(21,000)</u>
		(46,600)
Surplus / (Deficiency) Available to Floating Charge Holder		85,285
Less Prescribed Part		<u>(20,057)</u>
Surplus / (Deficiency) Available to Floating Charge Holder		65,228
<u>Qualifying Floating Charge Holder</u>		
HSBC Bank plc		<u>(67,997)</u>
Surplus / (Deficiency) Available to Unsecured Creditors		<u>(2,769)</u>
Total Assets Available to Unsecured Creditors		
Surplus Available		0
Prescribed Part		<u>20,057</u>
		20,057
<u>Unsecured Creditors</u>		
Trade & Expense Creditors	291,973	
Trade & Expense Creditor - Accordial Wall Systems Limited	461,918	

Employees - Notice & Redundancy	241,037	
Employees - Residual Arrears of Wages and Salary (non-preferential)	38,644	
Inter-company Account - Manufacturing	17,859	
HMRC - VAT	383,000	
HMRC - PAYE, NIC & CIS	131,486	
Credit Card	645	
Landlord Claim - Dilapidations	<u>uncertain</u>	<u>(1,566,562)</u>
Surplus / (Deficiency) Available to Floating Charge Holder		(1,546,505)
HSBC Bank plc		<u>(2,769)</u>
Surplus / (Deficiency) Available to Shareholders		(1,549,274)
SHAREHOLDERS		
Ordinary Shares		<u>(7,000)</u>
TOTAL ESTIMATED DEFICIENCY		<u>(1,556,274)</u>

Notes Recoveries in respect of Applications and Retentions have been assumed to be 20% and 10% respectively to reflect the likelihood that realisations will be significantly reduced as a result if the company ceased to trade

The Company was part of a VAT group and may be liable for VAT liabilities arising in other group companies

The Company is guarantor for other group company indebtedness to HSBC Bank plc and the sum shown as due to the Bank may increase

The above does not include or make provision for the costs and expenses of Administration

Accordial Wall Systems Limited (In Administration)
Report to Creditors and Statement of Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the
Insolvency Act 1986

Appendix III
Estimated Outcome Statement

Accordial Wall Systems Limited - In Administration
Estimated Outcome Statement as at 1 December 2016

ASSETS

Subject to Fixed Charge

	Book Value £	Liquidation £	Administration £
Leasehold Property	0	0	0
Leasehold Improvements	13,221	0	0
Goodwill, Intellectual Property Rights, R&D		0	5,000
	<u>13 221</u>	<u>0</u>	<u>5,000</u>

Less Due to Fixed Charge Holder HSBC Bank plc (67,997) (67,997)

Surplus / (Deficiency c/d) (67,997) (62,997)

Subject to Floating Charge

Fixed Charge surplus b/d	0	0	0
Plant & Machinery / Office Furniture & Equipment	110,865	3,000	5,000
Stock & Work in Progress	52,624	0	0
Retentions	334,408	66,882	167,204
Applications pending approval	620,034	62,003	465,026
Work in Progress / Future Applications / Customer Contracts	507,967	0	15,000
Inter-Company Debtor - Brockhouse Modernfold	34,801	uncertain	uncertain
Prepayments	75,327	0	1

Total Net Assets Before Costs of Insolvency 1,736,026 131,885 652,231

COSTS OF INSOLVENCY

Office Holders' Pre-Appointment Remuneration	6,500	9,951
Office Holders' Pre Appointment Disbursements	400	0
Pre Appointment Legal Fees		6,750
Pre Appointment Agent's Fees	5,000	3,000
Office Holders' Post-Appointment Remuneration	50,000	55,600
Office Holders' Post Appointment Disbursements	1,000	1,000
Post-Appointment Legal Fees		5,000
Post-Appointment Agent's Fees	2,300	0
Insurance	500	1,000
Debt Recovery Costs	19,333	246,361
	<u>(85,033)</u>	<u>(328,662)</u>

Total Assets Available to Preferential Creditors 46,852 323,569

LIABILITIES

Preferential Creditors

Arrears of Salary	(25,600)	0
Holiday Entitlement (assume all one week)	(21,000)	0
	<u>(46,600)</u>	<u>0</u>

Surplus / (Deficiency) Available to Floating Charge Holder 252 323,569

Less Prescribed Part 0 (67,714)

Surplus / (Deficiency) Available to Floating Charge Holder 252 255,855

Qualifying Floating Charge Holder

HSBC Bank plc	(67,997)	(62,997)
---------------	----------	----------

Surplus / (Deficiency) Available to Unsecured Creditors (67,745) 192,858

Total Assets Available to Unsecured Creditors

Surplus Available	0	192,858
Prescribed Part	0	67,714
	<u>0</u>	<u>260,572</u>

Unsecured Creditors

Trade & Expense Creditors	291,973	291,973	291,973
Trade & Expense Creditor Accordial Wall Systems Limited	461,918	461,918	461,918
Directors' Loans		0	0

Employees Notice & Redundancy		241,037	0
Employees Residual Arrears of Wages and Salary (non-preferential)		38,644	0
Inter-company Account - Manufacturing	17,859	6,099	6,099
HMRC - VAT	383,000	383,000	383,000
HMRC - PAYE NIC & CIS	131,486	131,486	131,486
Credit Card	645	645	645
Landlord Claim Dilapidations		uncertain	Nil
	(1 286 881)	{1,554 802}	(1,275,121)

Anticipated Dividend	0 00 p/£	0 20 p/£
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Surplus / (Deficiency) Available to Floating Charge Holder	{1,554 802}	(1,014,549)
--	-------------	-------------

HSBC Bank plc	<u>(67 745)</u>	<u>0</u>
---------------	-----------------	----------

Surplus / (Deficiency) Available to Shareholders	{1,622,547}	(1,014 549)
--	-------------	-------------

SHAREHOLDERS

Ordinary Shares	{7 000}	(7 000)
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TOTAL ESTIMATED DEFICIENCY	<u>{1,629,547}</u>	<u>{1,021,549}</u>
----------------------------	--------------------	--------------------

Accordial Wall Systems Limited (In Administration)
Report to Creditors and Statement of Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the
Insolvency Act 1986

Appendix IV
Schedule of Creditors' Claims

PCR (London) LLP
Accordial Wall Systems Limited
Creditor Claims Summary Report

Key	Name	Rep By	S of A £	Claim £	Agreed Claim £
CA00	ACCORDIAL PENSION FUND		28,184 18	0 00	0 00
CA01	ADAM GIBBONS		0 00	0 00	0 00
CA02	ADT FIRE & SECURITY PLC		511 75	0 00	0 00
CA03	AFI-UPLIFT LTD		470 77	0 00	0 00
CA04	ANGEL SPRINGS		58 42	0 00	0 00
CA05	ARCO LIMITED		483 02	0 00	0 00
CA06	ASSOCIATION OF INTERIOR SPECIALISTS		210 00	0 00	0 00
CA07	ACCOUSTIC MOVABLE WALL SOLUTIONS		28,000 00	0 00	0 00
CB00	B J KING		7,794 00	0 00	0 00
CB01	BAMBOO SURFACES		4,237 20	0 00	0 00
CB02	BARBOUR ABI		1,056 00	0 00	0 00
CB03	BARBOUR INDEX PLC		2,352 00	0 00	0 00
CB04	BAYANIX		4,580 92	0 00	0 00
CB05	BBE LOCKS		200 00	0 00	0 00
CB06	BERKSHIRE OFFICE FURNITURE		205 20	0 00	0 00
CB07	BIZSPACE LTD		270 00	0 00	0 00
CB08	BOB PURSER		3,200 00	0 00	0 00
CB09	BOK SERVICES		691 20	0 00	0 00
CB0A	BRIDGEPLEX		6,653 40	0 00	0 00
CB0B	BROOKSTREET (UK) LTD		1,317 28	0 00	0 00
CB0C	BUILDING ADDITIONS LTD		3,126 00	0 00	0 00
CC00	CAMIRA FABRICS		1,131 26	0 00	0 00
CC01	CASTLE		160 06	0 00	0 00
CC02	CHUBB FIRE LTD		131 46	0 00	0 00
CC03	CITY ELECTRICAL FACTORS LTD		113 34	0 00	0 00
CC04	CLAR SERVICES LTD		840 00	0 00	0 00
CC05	CLEANLINE INSTALLATIONS LTD		1,924 91	0 00	0 00
CC06	CONSTRUCTION IND TRAINING BOARD		5,640 00	0 00	0 00
CC07	CONSTRUCTION LINE		780 00	0 00	0 00
CC08	CONTRACT SERVICES		889 20	0 00	0 00
CC09	CORD CONTRACTS LTD		5,247 60	0 00	0 00
CD00	D A WELSH MOVABLE WALLS		364 00	0 00	0 00
CD01	D GUNNER		6,102 00	0 00	0 00
CD02	D KINGSLEY		216 00	0 00	0 00
CE00	EKS LTD		5,468 18	0 00	0 00
CE01	ELLIOTTS RENOVATION SERVICES LTD		5,311 22	0 00	0 00
CE02	EON		30 94	0 00	0 00
CE03	EXPERIAN LTD		150 00	0 00	0 00
CF00	FAIRWAY TYRE SERVICE RICKMANSWORTH		54 85	0 00	0 00
CF01	FALCON GROUP PLC		907 73	0 00	0 00
CG00	GRIPPLE LTD		11,130 84	0 00	0 00
CH00	HAMILTON & CROFT LTD		2,460 00	0 00	0 00
CH01	HAMPSHIRE COUNTY COUNCIL		58 80	0 00	0 00
CH02	HILLIER HOPKINS LLP		864 00	0 00	0 00
CH03	HSS - HIRE SERVICES GROUP PLC		256 90	0 00	0 00
CI00	INTERSOL NW LTD		0 00	0 00	0 00
CI01	ITS (EXETER) LTD		7,025 69	0 00	0 00
CJ00	J&R STEEL FABRICATION LTD		3,612 00	0 00	0 00
CJ01	J D COLEMAN & CO		22,585 00	0 00	0 00
CJ02	JOHN JONES		255 25	0 00	0 00
CK00	KOEL HOLDINGS LTD		12,319 86	0 00	0 00

PCR (London) LLP
Accordial Wall Systems Limited
Creditor Claims Summary Report

Key	Name	Rep By	S of A £	Claim £	Agreed Claim £
CL00	LEE COMER		492 00	0 00	0 00
CL01	LEX AUTOLEASE LTD		44.94	0 00	0 00
CL02	LLOYDS TSB COMMERCIAL FINANCE LTD		2,902 60	0 00	0 00
CM00	M G INSTALLATIONS (UK) LTD		463 80	0 00	0 00
CM01	MAGIC MAN LTD		1,962 00	0 00	0 00
CM02	MANCHESTER FITTING SOLUTIONS LTD		585 00	0 00	0 00
CM03	MARK GOODMAN		340 00	0 00	0 00
CM04	MICHAEL INTERIORS LTD		2,571 20	0 00	0 00
CM05	Midland Moveable Walls Ltd		22,580 38	0 00	0 00
CM06	MISCO		694.67	0 00	0 00
CM07	MSA CONSTRUCTION SOFTWARE		5,760 00	0 00	0 00
CM08	NURSING MANUFACTURING (UK) LTD		461,918 08	0 00	0 00
CN00	NUSING GMBH		867 20	0 00	0 00
CO00	OAKDEN FABRICATION AND WELDING		7,757 42	0 00	0 00
CO01	OGL COMPUTER SUPPORT LTD		0 00	0 00	0 00
CO02	OLDHAM METROPOLITAN BOROUGH COUN		2,421.91	0 00	0 00
CP00	PAUL JONES		180 00	0 00	0 00
CP01	PHS GROUP PLC		68 92	0 00	0 00
CP02	PITNEY BOWES LIMITED		487 12	0 00	0 00
CR00	RAC AUTO WINDSCREENS LIMITED		526 93	0 00	0 00
CR01	REDWOOD FACILITES LTD		240 64	0 00	0 00
CS00	S B PRIEST		386 40	0 00	0 00
CS01	SARRATT OFFICE SUPPLIES		739 16	0 00	0 00
CS02	SIMON JAMES		22,585 00	0 00	0 00
CS03	SOAP INSTALLATIONS		4,100 00	0 00	0 00
CS04	SOUND CONTROL SERVICES		44,533 01	0 00	0 00
CS05	SOUNDHUSH		6,616 64	0 00	0 00
CS06	SPECIALIST CEILING SERVICES LIMITED		332 02	0 00	0 00
CS07	SPECIFICATION PRODUCT UPDATE		370 51	0 00	0 00
CS08	SPEEDY ASSET SERVICES LTD		19,358 14	0 00	0 00
CS09	SPEEDY FREIGHT LTD		678 00	0 00	0 00
CS0A	ST JOHN AMBULANCE		1,008 00	0 00	0 00
CS0B	STEVE THOMPSON		3,188 00	0 00	0 00
CS0C	STEVEN BUTTERWORTH INSTALLATIO		695 00	0 00	0 00
CS0D	SUPPLY U K HIRE SHOPS LTD		105 02	0 00	0 00
CS0E	SUSAN JOHNSON		260 00	0 00	0 00
CT00	TELEPONICA 02 UK LIMITED		2,202 52	0 00	0 00
CT01	THREE RIVERS DISTRICT COUNCIL		6,610 29	0 00	0 00
CT02	TOTAL MOTION VEHICLE MANAGEMENT		0 00	0 00	0 00
CT03	TRAVIS PERKINS		1,878 84	0 00	0 00
CU00	UK LABOUR LTD		5,124 00	0 00	0 00
CU01	UNIEX FREIGHT SERVICES		420 00	0 00	0 00
CU02	UNION VENEERS		660 00	0 00	0 00
CU03	UNITED UTILITIES WATER PLC		319 56	0 00	0 00
CU04	U-SPEC LTD - HSBC INVOICE FINANCE		3,115 59	0 00	0 00
CV00	VEOLIA WATER THREE VALLEYS		183 76	0 00	0 00
CV01	VIKING DIRECT		226 76	0 00	0 00
CW00	WALL IN ONE LTD		0 00	0 00	0 00
CW01	WATFORD MC LTD		1,540 00	0 00	0 00
100 Entries Totalling			829,733 46	0.00	0 00

Accordial Wall Systems Limited (In Administration)
Report to Creditors and Statement of Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the
Insolvency Act 1986

Appendix V
Receipts & Payments Account
For the Period 1 December 2016 to 7 December 2016

**Accordial Wall Systems Limited
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments
To 07 December 2016**

RECEIPTS	Statement of Affairs (£)	Total (£)
Goodwill		5,000 00
Plant, Machinery and Office Equipment		5,000 00
Prepayments		0 50
Future Applications / Works in Progress		15,000 00
Licence Fee & Service Charge		3,333 33
		<hr/>
		28,333 83
		<hr/>
PAYMENTS		
		<hr/>
		0 00
		<hr/>
Net Receipts/(Payments)		28,333 83
		<hr/>
 MADE UP AS FOLLOWS		
Solicitors' Client Account		28,333 83
		<hr/>
		28,333 83
		<hr/>

Accordial Wall Systems Limited (In Administration)
Report to Creditors and Statement of Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the
Insolvency Act 1986

Appendix VI
Notice of Conduct of Business By Correspondence
Form 2.25B

Rule 2 48

Notice of conduct of business by correspondence

Name of Company

Accordial Wall Systems Limited

Company number

02286532

In the

High Court of Justice, Chancery Division
(full name of court)

Court case number

7688 of 2016

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

Notice is hereby given by (a)

Mark Phillips
PCR (London) LLP
St Martin's House
The Runway
South Ruislip
Middlesex, HA4 6SEJulie Swan
PCR (London) LLP
St Martin's House
The Runway
South Ruislip
Middlesex, HA4 6SE(b) Insert full name and
address of registered
office of the companyto the creditors of (b) Accordial Manufacturing Limited
Of 35 Watford Metro Centre, Tolpits Lane, Watford, Hertfordshire, WD18 9XN(c) Insert number of
resolutions enclosedthat, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c)
2 resolutions for your consideration Please indicate below whether you are in favour or
against each resolution(d) Insert address to
which form is to be
delivered

This form must be received at (d)

PCR
St Martin's House
The Runway
South Ruislip
Middlesex, HA4 6SE

(e) Insert closing date

by 12 00 hours on (e) 2 January 2017 in order to be
counted It must be accompanied by details in writing of your claim unless those details
have already been submitted for the purpose of a meeting of creditors Failure to do so
will lead to your vote(s) being disregardedRepeat as necessary for
the number of resolutions
attached**Resolution 1**For the acceptance of the Joint Administrators' proposals with or without modifications See
attached

I am In Favour/Against

Resolution 2For the approval of the Pre-Appointment costs that have been incurred by the Joint
Administrators, as detailed in at Paragraph 9 2 of our Report

I am In Favour/Against

TO BE COMPLETED BY CREDITOR
WHEN RETURNING FORM

Name of creditor _____

Signature of creditor _____

(If signing on behalf of creditor, state capacity e.g. director/solicitor)

If you require any further details or clarification prior to returning your votes, please
contact us at the address above.

Signed _____

Joint Administrator(s)

Dated 07/12/2016

JOINT ADMINISTRATORS' PROPOSALS

- (i) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals,
- (ii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company,
- (iii) The Joint Administrators be authorised to make a distribution to any secured or preferential creditor in accordance with Paragraph 65, Schedule B1 of the Act,
- (iv) In the event that the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, they shall, on completion of their administration, be authorised to file a notice of dissolution of the Company pursuant to paragraph 84 of Schedule B1 to the Act,
- (v) In the event that there will be a dividend to unsecured creditors the Joint Administrators shall seek to place the Company into Creditors' Voluntary Liquidation in order to effect a distribution. In such circumstances the Joint Administrators propose that they will be appointed as Joint Liquidators. In accordance with Paragraph 83(7) of Schedule B1 of the Act and Rule 2.117(3) of the Rules, creditors are able to nominate a different person or persons as proposed Liquidator or Liquidators, provided that the nomination is made after the receipt of the proposals and before they are approved,
- (vi) As an alternative to paragraphs (iv) and (v) the Joint Administrators be able to petition to place the Company into Compulsory Liquidation in order to pursue such actions and bring proceedings that it would be more appropriate to conduct in Liquidation and/or more appropriate that the Official Receiver acts in Liquidation,
- (vii) Upon the placing of the Company into Liquidation or upon the necessary form being filed for the Company to be dissolved, the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98, Schedule B1 of the Act,
- (viii) Upon the placing of the Company into Liquidation or upon the necessary form being filed for the Company to be dissolved, the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98, Schedule B1 of the Act,
- (ix) Upon the placing of the Company into Liquidation, the Joint Liquidators be authorised to act in a joint and several capacity

As a separate resolution, in relation to the basis of the Administrators' remuneration, we propose

- (i) We be authorised to be remunerated on differing basis depending upon the work being undertaken, as detailed within our fee proposal at Appendix X
 - a) We will charge a fixed fee of £20,000 for dealing with statutory matters,
 - b) 20% percent of assets realised
 - c) Time costs for undertaking creditors' claims and our investigation into the Company's affairs, subject to the fee estimate provided in the attached report

Accordial Wall Systems Limited (In Administration)
Report to Creditors and Statement of Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the
Insolvency Act 1986

Appendix VII
Proof of Debt Form

PROOF OF DEBT

Accordial Wall Systems Limited - In Administration

1 Name of Creditor			
2 Address of Creditor			
3 Total Amount of Claim	£ NET	£ VAT	£ GROSS
4 Particulars of how and when debt incurred			
5 Details of any documents by reference to which the debt can be substantiated (Copies should be attached wherever possible)			
6 Particulars of any security held			
<p>7 Does any part of your claim fall within any of the categories of preferential debts under Section 386 of, and Schedule 6 to the Insolvency Act 1986 (as read with Schedule 3 to the Social Security Pensions Act 1975) *YES/NO (*Please delete as appropriate)</p> <p>If yes, please specify</p> <p>Category –</p> <p>Amount(s) claimed as preferential £</p>			
<p>8 Signature of Creditor of authorised representative</p> <p>Name in Block Letters</p> <p>Position with or relation to Creditor</p>			

To be completed by Liquidator

Admitted to vote £

Admitted preferentially £

Admitted non-preferentially £

Accordial Wall Systems Limited (In Administration)
Report to Creditors and Statement of Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the
Insolvency Act 1986

Appendix VIII
Creditors' Questionnaire

TO PCR (LONDON) LLP
OF St Martin's House, The Runway, South Ruislip, Middlesex, HA4 6SE

ENQUIRY INTO COMPANY'S INSOLVENCY

ACCORDIAL WALL SYSTEMS LIMITED (IN ADMINISTRATION)

1	Creditors Name & Address
2	Estimated Claim £
3	What is the authorised credit limit? £
4	If the estimated claim exceeds the credit limit, on what basis or terms was the credit limit increase?
5	Please provide details of any comfort, security or assurance given to you to allow continuance of credit
6	When were you first aware that there were difficulties in getting payment and what was the evidence of this?
7	Please provide details, including dates, of any Writs, Summonses, Decrees or other legal action you took to recover your debt
8	Please provide details of any cheques which were dishonoured, including dates and amounts
9	Are there any particular matters you feel should be reviewed? If so, please provide brief details
NAME	
SIGNATURE	
COMPANY NAME	
POSITION	
DATE	

Accordial Wall Systems Limited (In Administration)
Report to Creditors and Statement of Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the
Insolvency Act 1986

Appendix IX
Permission to Correspond by Email

PERMISSION FOR ELECTRONIC SUBMISSION OF INFORMATION

ACCORDIAL WALL SYSTEMS LIMITED (IN ADMINISTRATION)

1 Name of Creditor
2 Address of Creditor
3 Email Address
4 I hereby agree to receive any future reports and circulars by electronic submission in a PDF format
5 Signature of Creditor of authorised representative
6 Name in Block Letters
7 Position with or relation to Creditor

Accordial Wall Systems Limited (In Administration)
Report to Creditors and Statement of Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the
Insolvency Act 1986

Appendix X
Joint Administrators' Fee Proposal

- With Appendices**
a Time cost Summary
b Fee Recovery Policy Statement



Accordial Wall Systems Limited – In Administration

Report to Creditors Seeking Fee Approval

1. STATUTORY INFORMATION

Date of incorporation 12 August 1988

Previous Names N/A

Registered Office 35 Watford Metro Centre
Tolpits Lane
Watford
Hertfordshire
WD18 9XN

Previous Trading Address 35 Watford Metro Centre
Tolpits Lane
Watford
Hertfordshire
WD18 9XN

Company Number 02286532

Nature of Business 43999 - Other specialised construction activities not elsewhere classified

Court Reference High Court of Justice, Chancery Division, No 7688 of 2016

Share Capital 7,000 ordinary shares of £1 each

Shareholder	No. of Shares Held	Percentage Held
Accordial Group Holdings Limited	7,000	100%

Directorships

Director	Appointed	Resigned
Nicolas James	03/08/2016	In Office
Stephen Bernard James	Unknown	In Office
David Landy	01/07/1999	In Office
Alistair Jackson	01/02/2003	In Office
Neil Martin Jolley	01/11/2007	01/09/2016

Charges

Charge holder	Date Granted	Date Repaid or
HSBC Bank PLC	11/06/2013	12/06/2013

2. INTRODUCTION

We, Mark Phillips and Julie Swan were appointed Joint Administrators of Accordial Wall Systems Limited ("the Company") on 1 December 2016

We are seeking approval for the basis of our remuneration and to authorise us to draw certain disbursements. This document is issued with our report and proposals, which should be read in conjunction with this report for a detailed summary of the case and the likely outcome for creditors.

The approval of the basis of our remuneration is presented as a resolution to be considered at a meeting of creditors to be held by correspondence, as shown on the attached Notice of Business by Correspondence.

Please note that we must receive at least one vote by the above deadline or the resolutions will not be passed. If our proposals are not approved, we are required to make application to Court, which will increase the costs of these proceedings and reduce the return to creditors.

The following documents are provided – please note that appendix references refer to Appendices to the main report and proposals accompanying this document (to avoid duplication)

- Appendix a – Joint Administrators' Time Cost Summary and Schedule of Hourly Rates,
- Appendix b – Practice Fee Recovery Sheet,

Our duties and functions as Administrators are the realisation of the Company's assets, the agreement of the claims of creditors where applicable, investigation of the directors' conduct and the Company's affairs generally, and the eventual distribution of the Administration funds between the creditors in accordance with their legal entitlements, as applicable.

3. ASSETS

A summary of the Company's assets and liabilities is attached to this report at Appendix II.

Please note that the figures supplied in the Statement of Affairs are those received to date from the Company, without any independent verification. Also attached at Appendix III is an estimated outcome statement, which reflects the anticipated returns to creditors after costs and expenses and making assumptions as to recoverability.

3.1 Assets:

We refer creditors to our report and proposals accompanying this document, which contains detailed information in relation to the Company's assets and the realisation strategy to be adopted.

Application for Payment/ Interim Payments

In summary, we intend to liaise with the Purchaser of the business, who are acting as our agents for an initial 6 month period to assist with recovery of the Company's sales ledger. It is expected that this will enhance realisations, by ensuring continuity and completion of on-going works and maintain a direct, single point of regular contact.

Retentions

we also intend to liaise with the Purchaser of the business, who are acting as our agents for an initial 6 month period to assist with recovery of the Company's sales ledger. It is expected that this will enhance realisations, by ensuring continuity and completion of on-going works and maintain a direct, single point of regular contact.

4. LIABILITIES

Secured Liabilities

There are provisions of the insolvency legislation that require a Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property" ("prescribed part").

A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. Any costs of the Administration that are payable before the Administrator has reached a position to make a distribution to the floating charge holder have to be deducted from floating charge realisations before arriving at an amount for the "net property" of the Company. As a result, the costs associated with realising floating charge assets, paying preferential claims in full, the general costs of winding up and the costs of confirming the validity of the floating charge will have to be deducted before the "net property" is calculated. The "prescribed part" that the Administrator then has to set aside for unsecured creditors is:

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

In this case, as stated above, HSBC Bank plc hold a debenture containing a floating charge, which was created after 15 September 2003 therefore, the prescribed part provisions will apply.

Our Estimated Outcome Statement at Appendix III provides detailed workings to show how the prescribed part is calculated. In summary, based on information currently held, it is estimated that the Company's net property will be £652,231, out of which the sum of £67,714 will be set aside under the prescribed part provisions.

Preferential Liabilities - Employees

The Company had a total of 31 permanent staff members all of whom were transferred automatically under the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 upon sale of the business. As a result there are no claims that would rank preferentially, of which we are aware.

Unsecured Liabilities

We have been advised that the Company has around 99 trade and expense creditors including HM Revenue & Customs for VAT and PAYE who are owed together an estimated total of £829,733.

5. ADMINISTRATORS' REMUNERATION

Fixed fee basis:

There are certain tasks that we have to carry out on nearly every Administration. Although they are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors, but still have to be carried out. We have reviewed

our past time records and after taking into account the complexity of the Administration, concluded that an estimated time cost of £20,000 are necessary to cover that work. We are therefore seeking a fixed fee of £20,000 for the work that we will undertake.

We believe that this demonstrates why the fixed fee is expected to produce an appropriate, reasonable and commensurate reflection of the work that we anticipate will be necessarily and properly undertaken. Please note that the list includes generic tasks that may not be necessary every time, but arise in a typical case and are expected to be necessary in this case. If any one task is not required it would not make a material difference to the amount of work done for which approval of the fixed fee is being sought.

I. Administration and Planning

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case
- Setting up physical/electronic case files (as applicable)
- Setting up the case on the practice's electronic case management system and entering data
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment
- Obtaining a specific penalty bond
- Convening and holding general meetings of creditors and members (as applicable)
- Dealing with all routine correspondence and emails relating to the case
- Reviewing the adequacy of the specific penalty bond on a quarterly basis
- Undertaking periodic reviews of the progress of the case
- Overseeing and controlling the work done on the case by case administrators
- Preparing, reviewing and issuing annual progress reports to creditors and members
- Filing returns at Companies House
- Seeking closure clearance from HMRC and other relevant parties
- Preparing, reviewing and issuing final reports to creditors and members
- Filing final returns at Companies House

Cashiering

- Opening, maintaining and managing the office holder's estate bank account
- Creating, maintaining and managing the office holder's cashbook
- Undertaking regular bank reconciliations of the bank account containing estate funds
- Preparing and filing VAT returns
- Preparing and filing Corporation Tax returns

Percentage basis:

There are certain tasks that we only have to carry out where there are assets to recover. They may produce a direct benefit for creditors, but are subject to the costs of the proceedings generally. We undertake the work to recover the assets, initially at our own cost, suffering the loss if any asset is not recoverable. If assets are recovered, we first recover our costs and then distribute any balance. We are seeking a percentage basis that we think reflects the risk that we are taking, the nature of the assets involved, the complexity of the Administration, and shares the anticipated benefit with the creditors.

Proceeds of Sale of Business

In this instance, the sale consideration has been paid and in respect of which we do not propose to seek any fee as our costs incurred in the pre-administration period (for which separate resolution has been sought) deal with the costs incurred in achieving that realisation.

Application for Payment/Interim Payments ("Applications")

We will be required to undertake work to monitor and ensure recovery of the Company's Applications. The Purchaser of the business and assets (see report and proposals for detail) is acting as our agent to collect the ledger for a period of 6 months and will be paid a commission of 35% of all sums successfully recovered and received in the Administration.

This arrangement will avoid the need for extensive involvement of us and our staff, but we are required to undertake weekly reconciliations and deal with bad and doubtful debts and those where disputes have arisen, or where legal proceedings are required.

In the circumstances, we therefore propose a fee of 5% of all sums realised in relation to the Applications. The Estimated Outcome Statement attached to this report is based on a successful recovery rate of 75% against the book value, meaning that total recoveries should be in the region of £465,026 and on that basis, after initial costs of collection, our fee would equate to approximately £17,400 for this aspect of work.

We believe that this demonstrates that the percentage proposed is expected to produce an appropriate, reasonable and commensurate reflection of the work that we anticipate will be necessarily and properly undertaken.

Retentions

We will also be required to undertake work to monitor and ensure recovery of the Company's Application for Payment/Interim Payments. The Purchaser of the business and assets (see report and proposals for detail) is acting as our agent to collect the ledger for a period of 6 months and will be paid a commission of 50% of all sums successfully recovered and received in the Administration.

Given that this arrangement will avoid the need for extensive involvement of us and our staff in the collection process, but we are required to undertake weekly reconciliations and deal with bad and doubtful debts and those where disputes have arisen, or where legal proceedings are required.

In the circumstances, we therefore propose a fee of 5% of all sums realised in relation to the Application for Payment/Retentions. The Estimated Outcome Statement attached to this report is based on a successful recovery rate of 50% against the book value of the ledger, meaning that total recoveries should be in the region of £167,204 and on that basis, after initial costs of collection, our fee would equate to approximately £4,200 for this aspect of work.

We believe that this demonstrates that the percentage proposed is expected to produce an appropriate, reasonable and commensurate reflection of the work that we anticipate will be necessarily and properly undertaken.

Please note that the list includes generic tasks that may not be necessary every time, but arise in a typical case and are expected to be necessary in this case. If any one task is not required it would not make a material difference to amount of work done for which approval of the percentage is sought.

II. Realisation of assets:

- Arranging suitable insurance over assets, where appropriate
- Regularly monitoring the suitability and appropriateness of the insurance cover in place
- Corresponding with reassigned debtors and attempting to collect outstanding book debts
- Liaising with the bank regarding the closure of the account
- Dealing with any other assets that come to light
- Instructing solicitors to assist in recovery of assets, where appropriate

Time costs:

Some work cannot be identified with enough certainty to seek remuneration on a fixed or percentage basis. For these tasks, we propose to seek approval on a time cost basis i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates.

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. Please see schedules below which outline the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. It includes a summary of that information in an average or "blended" rate for all of the work being carried out within the estimate.

III. Investigations

Description of work to be undertaken (at an Average Hourly Charge-out Rate of £218/hour)	Total Hours	Amount (£)
Recovering the books and records of the case and obtaining completed Directors Questionnaires	4	1,225
Preparing an inventory of the books and records recovered	3.5	987.50
Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act and the Insolvency Service	6	1,305
Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc. and analysing them for the purposes of the investigations	9	1,860
Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors	15	2,805
TOTAL	37.5	8,182.50

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

More details of the tasks included in these categories are included in the fees estimate. We estimate that the total time costs that we will incur in undertaking these tasks in this case will be £8,182.50.

IV. Creditors

It is not possible at this stage to say whether a dividend will be paid in this case. If a dividend looks to be payable, we will place the Company into Creditors' Voluntary Liquidation to pay a dividend to unsecured creditors. As detailed in our report and proposals, we do not propose at this stage to fix the basis of our remuneration for acting as Liquidators and will seek a resolution of creditors once appointed as such, in order that we are able to give creditors an accurate report of the position and anticipated outcome at that point.

However, as you will appreciate, before then, we will by necessity need to deal with queries from creditors, register proofs of debt and in some instances deal with retention of title claims, etc.

Therefore, we are seeking approval for dealing with these aspects and we are seeking approval for such on a time cost basis, subject to the fee estimate provided below.

It will be noted that whilst it is not our role or duty to adjudicate on creditors' claims, the work we expect to carry out during the Administration will facilitate the work that we (or another appointed practitioner) will need to carry out in the Liquidation

Description of work to be undertaken (at an Average Hourly Charge out Rate of £195/hour)	Total Hours	Amount (£)
<ul style="list-style-type: none"> Dealing with general enquiries from creditors, including telephone contact, written and email correspondence and dealing with ROT claims <i>(N B The time estimated is based on the number of creditors in this case and averaging 0.1 units per creditor)</i> 	9.9	1,930.50
<ul style="list-style-type: none"> Reviewing and collating proofs of debt received from creditors, <i>(N B The time estimated is based on the number of creditors in this case and averaging 0.1 units per creditor)</i> 	9.9	1,930.50
<ul style="list-style-type: none"> Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims <i>(N B The time estimated is based on the number of creditors in this case and averaging 0.1 units per creditor)</i> 	9.9	1,930.50
TOTAL	29.7	5,791.50

Please note that dealing with general creditor claims and correspondence will be charged on a time cost basis and the above estimate is based upon the number of creditors the Company have. In this instance, we are currently aware of approximately 100 creditors and have provided for 1 unit of time (6 minutes) for each (across all grades of staff) and you will appreciate that whilst some creditors may not require that duration to deal with, other may take longer and so we have applied a cost on an equal basis for these purposes.

To date a total of 1.30 hours have been spent working on the above tasks in the Administration, and total time costs to date are £195 charged at an average charge out rate of £195.00 per hour across all grades of staff.

Details of the time units used and current charge-out rates are provided in our practice fee recovery sheet, a copy of which is enclosed. We attach, in respect of the areas of work where we are seeking to charge fees on a time cost basis, an analysis of time costs incurred to date by reference to grade of staff and work done.

6 ADMINISTRATORS' DISBURSEMENTS

Our expenses to 7 December 2016 amount to £73 and a breakdown of these are detailed below. Please note that we have not yet drawn any expenses in this matter.

Nature of Expense Incurred to Date	Amount (£)
Notice of appointment	73.00
TOTAL	73.00

In addition to the expenses already incurred, we anticipate that the following expenses will arise in these proceedings:

Nature of Expense Likely to be Incurred	Amount (£)
Notice of Creditors' meeting	73.00
Notice of Conversion to Liquidation	73.00
Storage (assumes 10 boxes)	40.00
Statutory Bond	460.00
TOTAL	646.00

Expenses do not have to be approved, but when reporting to the committee and creditors during the course of the Administration the actual expenses incurred will be compared with the original estimate provided and we will explain any material differences (e.g. where legal costs rise due to escalated recovery action)

7. INFORMATION REQUESTED

Should you have any information about the way that the Company's business was conducted or potential asset recoveries that you consider will assist us, please write to us at the above address. We should also be grateful if you would complete and return to us the enclosed creditors' questionnaire. This request for information forms part of my usual investigation procedures and is not intended to imply any criticism of the directors' conduct in respect of the Company.

Clearly it will be some time before we can realise the Company's assets and agree the claims of creditors, but based on current known information about assets and liabilities, we think that it is likely that a dividend will be paid to unsecured creditors.

A proof of debt is enclosed, which should be sent, together with supporting evidence, to our Middlesex office address.

8. FURTHER INFORMATION

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at www.icaew.com/en/technical/insolvency/creditors-guides. Alternatively a hard copy may be available on request. Please note that we have provided further details in the practice fee recovery sheet.

At PCR we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of this case then in the first instance you should contact us at the address given in this letter.

If you consider that we have not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to our complaints officer Samuel Talby of PCR, St Martin's House, the Runway, South Ruislip, Middlesex, HA4 6SE. This will then formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner, or you can email insolvency.enquiryline@insolvency.gsi.gov.uk, or you may phone 0300 678 0015 - calls are charged at up to 12p per minute from a land line, or for mobiles, between 3p and 45p per minute if you're calling from the UK.

If creditors have any queries regarding the conduct of the Administration they should contact Hannah Gardner at the Middlesex Office

Yours faithfully

Mark Phillips
Joint Administrator

APPENDIX 1

**JOINT LIQUIDATORS' TIME COST SUMMARY
For the Period 1 December 2016 to 7 December 2016**

Time Entry - SIP9 Time & Cost Summary

ACCOR01 - Accordial Wall Systems Limited
All Post Appointment Project Codes
From 01/12/2016 To 07/12/2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning	3.00	4.00	5.10	0.00	12.10	3,833.50	316.82
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashier/Tax Returns	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.90	0.00	0.90	136.50	151.67
Employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Information & Communications Technology	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Litigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pension Schemes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Oct 1998 Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Statutory Duties	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	3.00	4.00	6.00	0.00	13.00	3,970.00	305.38
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

PRACTICE FEE RECOVERY POLICY

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at www.icaew.com/en/technical/insolvency/creditors-guides. Alternatively a hard copy may be available on request. Please note that we have provided further details in the practice fee recovery sheet.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge out Rates

Please refer to Appendix 3 of this report which outlines PCR's Schedule of Hourly Rates that will be applied to this case.

These charge-out rates charged are reviewed each year and are adjusted to take account of inflation and the firm's overheads.

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

- Administration and Planning,
- Creditors,
- Realisation of Assets,
- Investigations, and
- Trading

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs for the following categories

- Investigations,
- Creditors Distributions, and
- Trading

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

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

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

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Members' voluntary liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or PCR, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is PCR's policy not to charge any category 2 disbursements.



REMUNERATION POLICY

Charge Out Rates Applicable to this Assignment

The table below sets out charge out rates by grade of staff. Charge out rates are reviewed periodically and where an assignment covers more than one period the rates for each period relevant to that assignment are provided below.

	<i>01.04 2015 Onwards</i>	<i>01.05.2016 Onwards</i>
Grade of Staff	£ Per Hour	£ Per Hour
Partners / Office Holders	425-450	425 – 475
Director	350	400
Manager	275 – 350	275 – 400
Administrator	150 – 200	150 – 275
Cashier & Support	100 – 150	100 – 150
Average	278	305

Time is charged in 6 minute units and recorded using an electronic time recording system.

Work is undertaken by the grade of staff most appropriate to the assignment or the task being dealt with.

Office Holder's fees may generally only be recovered with creditor approval. Creditors' Guides to the calculation of Office Holder's fees, as provided by Statement of Insolvency Practice 9 (SIP9) published by R3, The Association of Business Recovery Professionals, are available at the link <http://www.icaew.com/en/technical/insolvency/creditors-guides> and paper copies are available on request.

DISBURSEMENTS POLICY

Category 1 Disbursements

Items of specific expenditure relating to the administration of the insolvent estate and payable to an independent third party (i.e. direct costs) are defined as "Category 1 disbursements". These are recoverable without creditor approval. Such items would include legal fees, agents' charges, bank charges and insurances. Such expenditure is made directly from the insolvent estate where funds are available. If funds are not available, then payment is made from this firm's office account and reimbursed from the estate when funds are available. All Category 1 disbursements are charged at the actual cost incurred, with no mark up or handling charge applied.

Category 2 Disbursements

Expenditure incidental to the administration of the insolvent estate which by its nature includes an element of shared or allocated costs is recoverable only with creditor approval. Payments in respect of these costs are defined as Category 2 disbursements. This office has a policy of not charging for any Category 2 disbursements and no other charges are made for any items bearing an element of shared or allocated cost.