In accordance with Rule 3.35 of the Insolvency (England and Wales) Rules 2016 Paragraph 49(4) of Schedule B1 to the Insolvency Act 1986 and regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021.

AM03

Notice of administrator's proposals

Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number	0 3 3 0 4 4 8 5
Company name in full	**ML2024 Limited**

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

2 Administrator's name

Full forename(s)	**Ross**
Surname	**Connock**

3 Administrator's address

Building name/number	**PricewaterhouseCoopers LLP**
Street	**2 Glass Wharf**
Post town	**Bristrol**
County/Region	
Postcode	**B S 2 0 F R**
Country	**United Kingdom**

4 Administrator's name ❶

Full forename(s)	**Edward**
Surname	**Williams**

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	**PricewaterhouseCoopers LLP**
Street	**1 Chamberlain Square**
Post town	**Birmingham**
County/Region	
Postcode	**B 3 3 A X**
Country	**United Kingdom**

❷ **Other administrator**
Use this section to tell us about another administrator.

6 Statement of proposals

☑ I attach a copy of the statement of proposals

7 Qualifying report and administrator's statement ❶

☐ I attach a copy of the qualifying report

☐ I attach a statement of disposal

❶ As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8 Sign and date

Administrator's Signature	Signature X X
Signature date	d1 d8 m0 m1 y2 y0 y2 y4

AM03
Notice of Administrator's Proposals

Presenter information

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

Contact name: Helena Perevalova

Company name: PricewaterhouseCoopers LLP

Address: 8th Floor Central Square,

29 Wellington Street

Post town: Leeds

County/Region:

Postcode: L S 1 4 D L

Country:

DX:

Telephone: 0113 289 4000

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

Where to send

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

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

Further information

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

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

ML2024 Limited forme[r]
Milspeed Limited – in administration

Joint administrators' proposals for achieving the purpose of administration

Date 18 January 2024

Anticipated to be delivered on 18 January 2024

In accordance with paragraph 49 of Schedule B1 of the Insolvency Act 1986 and rule 3.35 of the Insolvency (England and Wales) Rules 2016

pwc

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Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Administrators-in-waiting	Ross Connock and Edward Williams
Administrators/we/us/our	Ross Connock and Edward Williams
AMA process	Accelerated Merger or Acquisition process
Bank	HSBC UK Bank Plc, HSBC Bank Plc and HSBC Invoice Finance (UK) Limited
CBILS	Coronavirus Business Interruption Loan Scheme
DBT	Department for Business and Trade
Company	ML2024 Limited (formerly Milspeed Limited)
DLA Piper	DLA Piper UK LLP
Group	ML 2024 Limited (formerly Milspeed Limited), Milspeed S.A. (Proprietary) Limited and Milspeed (India) Private Limited
HMRC	HM Revenue and Customs
HSBC	HSBC UK Bank Plc and HSBC Bank Plc
HSBC IF	HSBC Invoice Finance (UK) Limited
IA86	Insolvency Act 1986
IBR	Independent Business Review
IR16	Insolvency (England and Wales) Rules 2016
Leasehold Properties	• Units 2,3,8, 9 and 9A Willow Court, Bourton Industrial Park, Bourton on the Water, Gloucestershire, GL54 2HQ; and • 14b Wildmere Road, Banbury, Oxfordshire, OX16 3JU.
LSH	Lambert Smith Hampton
LtO	Licence to Occupy between the Company, the Administrators and the Purchaser dated 11 January 2024
M&A sales process	Mergers & Acquisitions process
NOI	Notice of intention to appoint an administrator by company or directors
Ordinary preferential creditors	Creditors with claims defined in IA86 as ordinary preferential debts: These include claims for: • unpaid remuneration earned in the four months before the relevant date of the insolvency up to a maximum of £800, an unlimited amount of accrued holiday pay, unpaid pension contributions in certain circumstances
Secondary preferential creditors	Creditors with claims defined in IA86 as secondary preferential debts to be paid after ordinary preferential debts, if there are sufficient funds These include claims for: • certain HMRC debts owed at the date of insolvency, consisting of VAT; • relevant amounts deducted by the Company from payments due to another taxpayer and due to be paid over to HMRC (e.g. PAYE, employee NICs and Construction Industry Scheme deductions);

	• Penalties and interest do not form part of HMRC's preferential claim
Prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Purchaser	Tecnospeed Limited, company number 15371371
PwC/firm	PricewaterhouseCoopers LLP
Regulations	Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021
ROT	Retention of Title
RPS	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by DBT, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
Secured creditor	A creditor with security in respect of their debt, in accordance with section 248 IA86
SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply
SIP 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
SIP 13	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
SIP 16	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
SPA	The agreement for the sale and purchase of the business and assets of the Company dated 11 January 2024 and made between the Administrators, the Company and the Purchaser.
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
Unsecured creditors	Creditors who are neither secured nor preferential

This report has been prepared by Ross Connock and Edward Williams as Administrators of the Company, solely to comply with the Administrators' statutory duty to report to creditors under IR16 on the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Administrators do not assume any liability in respect of this report to any such person.

Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Ross Connock and Edward Williams have been appointed as Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Administrators are bound by the Insolvency Code of Ethics which can be found at:
https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics

The Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Administrators. Personal data will be kept secure and processed only for matters relating to the Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Administrators.

Why we’ve prepared this document

As we’ve explained previously, on 11 January 2024 the Company went into administration and Edward Williams and I were appointed as Administrators.

We tell you in this document why the Company was put into administration. We give you a brief history and set out our proposals for achieving the purpose of administration. We include details of the Company’s assets and liabilities, and say how likely we are to be able to pay each class of creditor.

According to IA86, the purpose of an administration is to achieve one of these objectives:

A. Rescuing the company as a going concern, or if that is not possible or if (b) would achieve a better result for the creditors than (a)

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 finally, if that is not possible

C. Realising the company’s assets to pay a dividend to secured or preferential creditors

In this case, we’re following (b) as it was not reasonably practical to rescue the Company as a going concern.

Our job is to manage the Company until creditors agree to our proposals for achieving the purpose of administration and we’ve implemented them as far as possible. After that the administration will end.

The whole of this document and its appendices form our statement of proposals for achieving the purpose of administration.

We’re not seeking a decision from the creditors to approve our proposals because the Company doesn’t have enough assets to pay a dividend to Unsecured creditors other than from the Prescribed part (per paragraph 52(1)(b) Sch B1 IA86). So our proposals will be treated as approved unless enough creditors ask us to seek a decision to approve them. This would happen if at least 10% in value of the total creditors ask us to do so (in line with rule 15.18 IR16) within eight business days of the date we deliver the proposals to you.

If you/ve got any questions, please get in touch with us at uk_ml2024enquiries@pwc.com

Signed......................................

Ross Connock

Joint Administrator of the Company

A summary of what you could recover

Estimated outcome for Secured creditor	Amount owed	
What secured creditors are owed:	**£4,083,149.00**	
HSBC:	£3,797,149.00	
HSBC IF	£286,000.00	
What we think Secured creditors could recover:	**% Recovery**	**Forecast timing**
HSBC:	2-10%	12 months
HSBC IF	100%	3-6 months

Estimated dividend prospects	% Recovery	Forecast timing
For Ordinary preferential creditors:	100%	3-6 months
For Secondary preferential creditors:	30-100 %	3-6 months
For Unsecured creditors (via the Prescribed Part):	0-1%	6-12 months

This is a brief summary of the possible outcome for creditors based on what we know so far and more detail on the various classes of creditors can be found later in the proposals document. As the administration progresses, the estimated return to creditors may differ subject to the level of asset realisations achieved and claims received from creditors. An update will be provided within our first progress report in about 6 months.

Brief history of the Company and why it is in administration

Background and the circumstances leading to our appointment

The Company was incorporated on 20 January 1997. It is a family owned business which is owned and managed by its two directors who are also its majority shareholders.

The Company employs 35 employees across two Leasehold Properties, one in Banbury, Oxfordshire and the other in Bourton on the Water in Gloucestershire.

The Company has historically worked with customers to develop innovative, high-performing and sustainable coated film based solutions, being a global leader in extrusion coating and converting for footwear, apparel, specialist film applications and in reprocessing plastic waste into pellets and products.

The site at Bourton on the Water recycles plastic waste such as plastic scrap and ghost fishing nets and performs finishing tasks (e.g. cutting) for the material extruded at Banbury.

The site at Banbury manufactures sheets of material for the production of footwear and apparel components such as box toes, counters, shoe reinforcements and lining materials for the world's leading athleisure footwear and apparel brands such as Nike, Adidas, Brookes and K-Swiss among others. It also manufactures specialist films for industrial, packaging, adhesive and security products. Sales of these products are more ad-hoc but the Company does have a number of repeat customers across the UK and Europe.

The majority of finished goods for the footwear sector are shipped to warehouses and then customer factories in the Far East. Raw materials are purchased mainly from Europe and shipped to the UK.

The Company is the immediate and ultimate parent of two subsidiary companies in India and South Africa, which operate as standalone entities with their own management, and is affiliated with an entity in Vietnam.

The Company also has two overseas representative sales offices, one in Indonesia and one in Vietnam. These are engaged in business promotion only and liaison with warehouses and customer factories in those jurisdictions. There is also specific representation in the USA via a sales agent. The Company also traded with an unconnected Chinese entity which was engaged in promoting the business of Milspeed Limited.

A total of 11 employees work for the Vietnam and Indonesia representative offices. The Company also has one self-employed sales agent in the USA.

The Company was funded by the Bank through an overdraft facility, CBILS loan, trade loans and an invoice discounting facility. The Bank holds security by fixed and floating charges over all of the assets of the Company.

Prior to the COVID 19 pandemic, the Company generated a stable level of profit. However, economic volatility since FY20 has resulted in difficulties forecasting demand and supply chain issues and as a result the Company experienced significant liquidity pressures throughout 2023 caused by a number of factors including:

- High energy and raw material costs;
- Customer overstocking;
- High debt service cost;
- Additional commercial property space; and
- Dilapidation claim of £1.2m served by the landlord.

Production is energy intensive, so significant increases in energy costs along with increase in raw material costs resulted in lower margins with the Company being unable to pass them on in full to customers. Several of the Company's footwear customers overstocked in anticipation of high sales following COVID restrictions lifting. Consumer demand slowed, leading to brands destocking over a prolonged period and as a result of that the Company was left with a significant amount of inventory. Interest costs increased due to higher borrowing costs and additional debt drawn with foreign exchange losses compounding liquidity pressures.

Due to concerns over the financial performance of the Company, the Bank requested that management instruct an IBR of the Company's financial forecasts. PwC was engaged on 6 June 2023 by HSBC, HSBC IF and the Company to perform this review and advise on next steps. Subsequently the Company instructed PwC to assist them in running an M&A sales process of the business on a solvent basis on 8 August 2023. However, this process did not result in a sale of the Company on a solvent basis. Having exhausted all solvent options and having considered the Company's position, on 21 November 2023 the Company's directors re-engaged PwC to run a final accelerated marketing process by way of AMA process for the Company's business and assets and, in the absence of interest in a solvent sale, plan for the Company's insolvency, which included cash monitoring support. This process resulted in the Purchaser initially making a non binding indicative offer on 18 December 2023 for the business and footwear assets at the Bourton on the Water site.

Following a very extensive due diligence process and ongoing contract negotiations, this resulted in agreement for a sale being reached. The Company was therefore placed into administration on 11 January 2024, with Ross Connock and Edward Williams being appointed as Administrators and the sale was completed immediately following the administration appointment.

More detail on the Company's background, events leading up to the administration and the pre-packaged sale to the Purchaser can be found in our SIP 16 statement and enclosed at Appendix C of this proposals document.

Pre-administration costs

Administrators-in-waiting

The decision was taken by the directors on 6 December 2023 that the Company would move into administration. Our time costs from that date until our appointment totalled £311,405 (excluding VAT) and disbursements are £83.38 (excluding VAT).

PwC's initial role was to perform an IBR, which included a short term cash flow review and an assessment of medium term cash flow requirements and profit and loss forecasts under an engagement letter dated 6 June 2023. Following completion of this IBR, PwC were engaged to run an accelerated M&A process under an engagement letter dated 8 August 2023, in the pursuit of a solvent sale of the Company. However as a solvent sale couldn't be achieved, PwC was re-engaged by the Company on 21 November 2023 to run an AMA process to see if a sale could be achieved of part or all of the Company's business and assets via a pre-packaged sale in administration.

During negotiations for a sale of a part of the Company's business and assets with the Purchaser, increased creditor pressure, including receipt of a statutory notice from the Company's electricity supplier on 5 December 2023 that it would terminate the Company's electricity supply on 8 December 2023, meant that the directors had to protect the Company's position to enable the sale negotiations to continue as, although these negotiations were progressing, they were not at a point where a transaction could complete. It was therefore clear that the insolvency of the Company was inevitable and on 6 December 2023 the directors resolved to place the Company into administration and on the same date filed an NOI. From 6 December 2023, PwC therefore additionally worked with the Company's directors and their legal advisers in preparing for administration.

We think that PwC's role in preparing and planning for the appointment makes a significant contribution to achieving the purpose of the administration because it enabled the completion of the pre-packaged sale of part of the Company's business and assets which resulted in the best outcome for the Company's creditors as a whole,further details of which can be found at Appendix C.

PwC's role as Administrators-in-waiting also enabled us to perform an assessment of whether trading from the Banbury site in administration was viable so that this strategy could be implemented smoothly immediately following appointment.

PwC's role as Administrators-in-waiting also enabled the Company to be placed into administration in an orderly manner.

More details of these fees and expenses, including further information regarding the work undertaken, can be found at Appendix B.

The payment of unpaid pre-administration costs as an expense of the administration is subject to approval under rule 3.52 of IR16 and doesn't form part of our proposals, which are subject to approval under paragraph 53 Sch B1 IA86. If you elect a creditors' committee, it will be up to the committee to give this approval under rule 3.52 of IR16.

But if there's no committee, then because we've said we think the Company doesn't have enough assets to pay anything to unsecured creditors other than via the Prescribed part, it will be for the Secured creditors and Preferential creditors to do so instead.

To the best of our knowledge and belief, no fees or expenses were charged by any other insolvency practitioner.

DLA Piper

The Administrators-in-waiting engaged the services of DLA Piper as legal advisors under an Engagement Letter dated 1 December 2023 to assist in preparation for the administration appointment. DLA Piper incurred fees totalling £88,851.07 (excl VAT) and legal disbursements of £215.04 (excl VAT). Additional disbursements were incurred in relation to obtaining counsel advice in respect of the overseas representative offices as follows:

USD 1,741.59
USD 5,660.00
HKD 12,340.00

The above amounts remain unpaid at the date of the Administrators' appointment, therefore approval will be sought from the Secured creditors and preferential creditors of the Company in accordance with insolvency legislation.

LSH

LSH were engaged by the Company pre-appointment under an Engagement Letter dated 24 October 2023.

During the pre-administration period LSH were paid fees of £2,000 plus VAT and expenses of £200 plus VAT by the Company in relation to a pre-appointment valuation of the Company's plant and machinery.

At the date of the Administrators' appointment, LSH has unpaid pre-administration costs of £500 plus VAT in relation to a desktop stock appraisal provided by email. As this was unpaid at the date of appointment approval will be sought in due course from the secured and preferential creditors for this amount to be paid, in accordance with insolvency legislation.

What we've done so far and what's next if our proposals are approved

Management and financing of the Company's affairs and business

Pre-packaged sale of part of the Company's business and assets

On 11 January 2024 a sale of part of the Company's business and assets to the Purchaser, being the footwear related trade assets at the site at Bourton on the Water, completed immediately following our appointment for sale consideration of £390,000.

The sale consideration is made up as follows:

Assets subject to fixed charge	**£**
Business intellectual property	1
Goodwill	1
Books and records	1
Customer contracts	1
Customer list	1
Information technology	1
Assets subject to floating charge	
Equipment	284,850
Stock of finished goods and Work in Progress*	105,144
	390,000

*Under the terms of the SPA, the Purchaser has additionally undertaken to purchase raw materials specific to the footwear business at 40% of net book value subject to ROT claims being resolved by the Administrators. This consideration will be payable post completion of the sale and during the course of the administration.

The full amount of £390,000 of immediately due consideration was settled in full on completion. The sale consideration is reflected on the receipts and payments account.

Overseas stock

The Purchaser acquired all WIP and finished goods stock relating to the footwear business, both in the UK and overseas. The company had stock on the water or overseas with a book value of c.£2.2m. This related to the footwear business only as it represented footwear stock sent to overseas bonded warehouses to be sold to Far East footwear factories. Due to its location, the stock was not physically inspected or counted. It has not been possible to verify the quantities, quality, existence or value of the overseas stocks which are held in third party warehouses in India, China, Vietnam and Indonesia.

As stock is made to customer specification, it was highly unlikely that repatriating it would have been of any value as there would have been no market for it in the UK. There were also some overdue payments to some of the foreign bonded warehouses and it was likely that these would have to be paid in order for any stock to be released and repatriated. Duty may also have been payable.

In addition, a large proportion of this stock appeared to be obsolete or slow moving and unsaleable due to overstocking and changes in fashion and component specification requirements from customers. This was reported by the directors and was evident in the fact that the stock was not being sold despite the Company's financial difficulties.

Under the terms of the SPA the Purchaser has been granted an LtO for a period of up to six months over the leasehold property at Bourton on the Water whilst it enters into negotiations with the landlord regarding a formal lease assignment or a new lease being agreed. To date we have received a contribution of £22,800 (incl VAT) in relation to the licence fee and a further £31,806 (inc VAT) to cover the costs associated with the property. This is reflected in the receipts and payments account. Additional contributions will be payable depending on the length of occupation under the LtO.

Assets excluded from the sale

Operations and assets at the Banbury site

Trading/Operations

The Company's main activity at the Banbury site is the production of high quality specialist films and coatings using a cast film extrusion line, which it has operated since 2000. The Administrators' post appointment strategy is to continue trading operations from the Banbury site for a short period, fulfilling customer orders that were confirmed before the administration appointment and exploring interest in the trade or assets at Banbury. Our initial forecast indicates that this short term period of reduced trading should be profitable and therefore is likely to increase creditor returns compared to an immediate cessation of operations, which would have incurred holding costs in any event.

Plant and Machinery/Equipment at the Banbury site

A cast film extrusion line is the most valuable asset at the Banbury site. Despite there being significant costs associated with relocating it as part of a sale, due to its size, the Administrators believe that there is potential to realise value from this asset via a sale process. LSH have been instructed to market and sell the cast film extrusion line. The value of this asset will be determined by the marketing process.

Other plant and machinery of the Company includes a slitting machine, chiller units, shredders and storage silos at the Banbury site. LSH will be instructed to sell these assets in due course following the completion of ongoing trading activities. We are aware that two assets being a shredder and a Rotojet machine are subject to finance and are not expected to realise any equity for the benefit of the administration estate after the settlement of the outstanding finance.

Creditors will be updated on the progress of any sales of plant and machinery in our first progress report.

Leasehold Properties

The Company operated from two leasehold properties, one in Bourton on the Water and one in Banbury.

We discuss earlier in this report that a LtO for a period of six months has been granted to the Purchaser over the leasehold property at Bourton on the Water.

In relation to the lease of the property at the Banbury site, as it is part of the administration strategy to continue trading from this site in the short term, discussions with the landlord of the Banbury property are underway to agree the settlement of rent post administration.

Secured debtor ledger

The Company operated an invoice discounting facility with HSBC IF who secured its lending by way of an invoice discounting agreement with a debenture created on 5 July 2022 incorporating fixed and floating charge security. The amount outstanding to HSBC IF as the date of our appointment is £286k. The estimated debtors ledger as at the date of our appointment is £1,916k (subject to final invoicing and reconciliation)].

The ledger has been assigned to HSBC IF under the terms of its discounting agreement and HSBC IF have appointed agents to collect the debts. In addition, HSBC benefits from a contract monies assignment from HSBC IF meaning any pre-appointment debt recovered after HSBC IF's lending is recovered in full, will be subject to a fixed charge for the benefit of HSBC.

Based on information provided to date, we estimate that HSBC IF will recover its indebtedness in full and any surplus will settle a portion of the debt due to HSBC. At this stage, we are unable to comment on the quantum of any such surplus. However, creditors will be updated as appropriate in our future progress reports.

Cash at bank

The Company had Sterling, US Dollar and Euro bank accounts with HSBC. The balances on these accounts at the date of appointment was as follows:

Bank balances	£'000
Sterling (£):	-3,434
US Dollars ($)	4,049 (c.£3,181)
Euros (€)	-845 (c.£726)

We understand that HSBC holds a right of set off in respect of overdrawn amounts against positive cash balances held. Therefore, we expect that HSBC will apply set off in respect of the overdrawn amounts. As the total balance of the three accounts is an overdrawn position (c.£981k) we do not expect that there will be any cash at bank to realise for the administration estate.

Intercompany debtors

We are aware that the Company's two wholly owned subsidiaries in India and South Africa are debtors of the Company. The book value of these debts is c.£1.3m These balances will be collectable by HSBC IF as explained above. We are not currently in a position to estimate how much of these balances may be recoverable.

Deposits/Prepayments

We are aware from conversations with the Company following our appointment that there may be some pre-payments and or deposits which could potentially be recoverable. We haven't yet quantified what may be due back to the Company or whether these amounts will in fact be recoverable. We will update creditors on progress as regards these potential assets in our first progress report.

Pre-appointment VAT refund

We are working with the Company to understand whether any amounts are due back from HMRC in relation to VAT returns submitted prior to our appointment. We will update creditors on the position in our first progress report.

Staff loan

On 5th October 2022 the Company granted a staff loan of £5,000 to one of the employees repayable by monthly instalments of £150 as a deduction from their salary. The employee has been transferred to the Purchaser of the business and we have agreed with the Purchaser that they will settle the remaining balance of £2,750 in full and take over the loan.

Third party assets

We are aware that the Company may hold assets belonging to third parties. Our strategy is to identify these assets and liaise with the relevant parties regarding the return of their assets. We will update creditors regarding this strategy in our first progress report.

Employees

The Company employed 35 employees in the UK across its two Leasehold Properties. The pre-packaged sale resulted in the preservation of jobs for 22 of these employees who worked in the Company's footwear business who transferred to the Purchaser under TUPE on 11 January 2024. Under the terms of the SPA, the Purchaser will settle any pre-appointment payroll arrears owing to these 22 employees from 1 January 2024 until the date of appointment resulting in a mitigation of Ordinary preferential claims in the administration estate. Under the SPA, the Purchaser will also be making offers of employment to the 11 overseas staff affiliated with the Company's footwear business.

The business and assets of the operations of the Banbury site were not included as part of the pre-packaged sale. The remaining 13 UK employees based at the Banbury site are currently being retained by the Administrators for a short period to assist with post appointment trading operations to fulfil existing and potential incoming customer orders. The Administrators' will meet the ongoing payroll costs for these 13 employees whilst they remain in employment. We understand that these employees have outstanding pre-appointment payroll arrears for the period 1-10 January 2024 and we will settle these outstanding payroll amounts post administration.

Post Sale Matters

Retention of Title

As at October 2023, the Company held stock with a book value of c £2.4m at its two Leasehold Properties. It was anticipated that a proportion of this stock, the raw materials, (c. £0.4m) could be subject to ROT claims from suppliers.

Following our appointment we contacted all known creditors of the Company and advised them the Company had gone into administration. Key members of Company staff identified specific suppliers who may wish to make an ROT claim and they were contacted on an individual basis as well in order for any such claims to be dealt with in an efficient manner.

We are taking a proactive approach when dealing with ROT claims as doing so will preserve value for creditors by either resulting in additional consideration under the SPA (please see above) from sales of raw material which is not subject to ROT to the Purchaser or it will potentially reduce unsecured claims through the return of stock which is subject to valid ROT claims to the supplier.

The stock that remains in the Company following the final adjudication of all ROT claims will be sold to the Purchaser at 40% of NBV or sold for scrap where possible. This will increase asset realisations and further preserve value for creditors.

Statutory and other matters

Statutory work we have completed and still need to complete includes:

- We have issued our initial statutory notices on appointment and filed notice of our appointment with the Registrar of Companies;
- We have prepared our proposals for achieving the purpose of administration document and prepared a document providing creditors with information regarding the sale of the business and assets of the Company on 11 January 2024 as required by SIP 16, which is appended within the proposals document;
- We are in the process of conducting a data capture exercise to ensure the books and records of the Company the Administrators' are required to hold are obtained whether in physical or electronic form;
- We have corresponded with the Company directors in relation to the production of the directors' statement of affairs, which will set out the financial position of the Company at the date of appointment. A copy of this following receipt will be put on our website and also sent to the Registrar of Companies.
- We need to complete and submit a conduct report to DBT in respect of all Company directors who held office in the three years prior to our appointment;'
- We need to prepare and issue a report to creditors of the Company and file this with the Registrar of Companies within one month of each six months following our appointment;
- We need to ensure the Company's tax and VAT affairs are kept up to date during the period of our appointment and this will usually include the preparation and submission of monthly or quarterly VAT returns and annual tax computations to HMRC, and
- We need to seek approval from the appropriate classes of creditors to the basis of our remuneration, as our remuneration will be financed from the asset realisations of the Company.

Connected party transactions

To date, no assets have been disposed of by the Administrators to a party (person or Company) with a connection to the directors, shareholders or Secured creditors of the Company or their associates and the Administrators are not seeking approval from creditors to make a substantial disposal to a connected person.

Directors' conduct and investigations

As we said in our initial letter to creditors, one of our duties is to look at the actions of anybody who has been a director of the Company in the three years before our appointment. We have to submit our findings to DBT within three months of our appointment.

We also have to decide whether any action should be taken against anyone to recover or contribute to the Company's assets. If you think there is something we should know about and you haven't yet told us, please write to me at PwC LLP, Level 8, Central Square, 29 Wellington Street, Leeds, LS1 4DL or by email to uk_ml2024enquiries@pwc.com. This is part of our normal work and doesn't necessarily imply any criticism of the directors' actions.

Objective of the administration

We're pursuing objective (b) for the statutory purpose of the administration, which is 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). We believe that this objective will be achieved because:

- On completion of the sale of part of the Company's business and assets, being operations at the site at Bourton on the Water and associated footwear assets, 22 employees transferred to the Purchaser via TUPE, mitigating Ordinary preferential creditor claims in the administration and therefore procuring a better return to the Company's creditors as as whole than in liquidation (where TUPE is not available);
- In addition 11 overseas staff affiliated with the Company have been offered contracts of employment by the Purchaser which is expected to mitigate claims in the administration.
- The protection offered by a moratorium following the filing of a Notice of Intention to Appoint Administrators on 6 December 2023, enabled already progressed negotiations for the sale of part of the Company's business and assets to continue. The Company had received a statutory notice from its electricity supplier on 5 December 2023 that its electricity supply would be cut off on 8 December 2023. The termination of the electricity supply would have meant the Company ceasing to trade immediately, eroding value for the assets and halting the progression of the ongoing sale negotiations;
- A sale of part of the Company's business and assets in administration achieved a better return to creditors than in a comparable liquidation process, due to increased creditors claims and reduced asset values in liquidation; and
- Finally, achieving the sale in the timescale available (due to the acute liquidity issues the Company faced) represented the best available offer to the Company and therefore was in the best interest of creditors.

It was not possible to achieve statutory purpose a) as previous sale processes that had been explored identified there was no interest in the business and assets of the Company on a solvent basis.

Estimated outcome for creditors

Secured creditors

HSBC

We don't think HSBC will be repaid in full. HSBC's lending to the Company as at the date of administration was c.£3.8m and is secured by charges and debentures dated 5 July 2007 and 4 May 2023. This security gives HSBC fixed and floating charges over the Company's assets. In addition HSBC benefits from a contract monies assignment from HSBC IF.

HSBC IF

HSBC IF's lending to the Company as at the date of administration was approximately £286k and is secured by a debenture dated 5 July 2022. This security gives HSBC IF fixed and floating charges over the Company's book debts (including intercompany book debts).

We believe that HSBC IF will be repaid in full under its fixed charge via the collection of the secured book debt ledger.

Ordinary preferential creditors (mainly employees)

Based on current information, we think that the level of Ordinary preferential claims will be c.£2k.

We think we'll be able to pay the Ordinary preferential creditors in full based on what we know currently.

At this time no steps to adjudicate on the claims of first ranking preferential claims have begun.

We estimate being able to make a distribution in respect of these claims in approximately 3 to 6 months, however the timing of any distribution will ultimately depend on when all employee claims have been submitted to the RPS, processed by the RPS and when the RPS is then in a position to submit their final claim for adjudication into the administration estate.

Secondary preferential creditors (HMRC)

Based on initial information received, we estimate that HMRC's Secondary preferential claim may be in the region of £186,000. However, this figure is based on the Company's ledger at 3 January 2024 and may be subject to change.

We think we'll be able to pay between 30% and 100% of the Secondary preferential creditors based on what we know currently. We estimate that we will be in a position to pay this distribution within 3 to 6 months of appointment. However the timing of making any distribution to the Secondary preferential creditor will ultimately be dependent on when HMRC provides their final claim in the administration. As we have not yet received a claim from HMRC, we have not yet started agreeing the Secondary preferential claim.

Unsecured creditors

The Prescribed part is a fund that has to be made available for Unsecured creditors. It's paid out of 'net property'. Net property is floating charge realisations after costs, and after paying – or setting aside enough to pay – preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

The amount of the Prescribed part is:

- 50% of net property up to £10,000
- 20% of net property above £10,000
- Subject to a maximum of £600,000

The Prescribed part applies in this case as there is a floating charge created on or after 15 September 2003.

We think there will be a Prescribed part dividend for Unsecured creditors, based on what we know currently. If we think the costs of agreeing claims and paying a Prescribed part dividend will be disproportionate to the benefits, we can apply for a court order not to pay the Prescribed part to Unsecured creditors. At the moment we don't plan to make such an application.

We can't yet give you a realistic estimate of the Company's net property or of the value of the Prescribed part so we can't yet say what rate of dividend Unsecured creditors may receive. This is because the level of net property and resulting Prescribed part dividend rate will depend on future realisations, administration costs, and finalising claims from Unsecured creditors. In addition as we have not yet completed a sale of the Company's business and/or assets at the Banbury site it is not possible to give an accurate estimate of what realisations from such assets will be and therefore any Prescribed part dividend which may be available.

In addition to any Prescribed part, we don't think there will be any dividend for Unsecured creditors based on what we know currently.

Our fees and expenses

We propose that our fees be fixed based on the time we and our staff spend on the case at our normal charge out rates for this type of work. However, if during the course of the administration it transpires that it would be more beneficial to all parties to see our fees on a fixed fee basis or percentage of realisations basis, we will reassess and consider an alternative basis or a combination of basis.

It will be up to the creditors' committee to fix the basis of our fees and Category 2 expenses. But if there's no committee, because we've said we think the Company doesn't have enough assets to pay anything to Unsecured creditors other than via the Prescribed part, we'll ask the Secured creditors and preferential creditors to do so instead. If creditors or the committee do not fix the basis of our fees and Category 2 expenses, we may apply to the court to fix them no later than 18 months after the date of our appointment.

Ending the administration

Our exit route will depend on the outcome of the administration. At the moment we think that the most likely exit routes are as follows:

1. As we've said above, we think there will be a dividend for Unsecured creditors only from the Prescribed part. Assuming that's the case, once we've paid any Prescribed part dividend and finished our other work, we'll file a notice with the Registrar of Companies and the Company will be dissolved three months later. But if we think that there are matters that should be conducted in a liquidation rather than in the administration because of the additional powers afforded to a liquidator under IA86, we may instead apply for a court order ending the administration and for the Company to be wound up.

2. In the unlikely event that funds do become available for distribution to Unsecured creditors other than via the Prescribed part, once we've finished our other work (which may include making a distribution under the Prescribed part), we may:

   - Apply to the court for permission to pay any surplus funds to Unsecured creditors. If this is granted, we'll end the administration by filing a notice with the Registrar of Companies and the Company will be dissolved three months later.

   - If we don't get permission or we think that moving the Company into creditors' voluntary liquidation is more appropriate we'll put the Company into creditors' voluntary liquidation, or comply with the terms of any court order if different. If the Company goes into creditors' voluntary liquidation, we propose that Ross Connock and Edward Williams are appointed as Joint Liquidators (or, if replacement Administrator(s) are appointed, any person(s) appointed as Administrator(s) at the time of the registration of notice of moving from administration to creditors' voluntary liquidation per paragraph 83(4) Sch B1 IA86) and that any act required or authorised to be done by the Joint Liquidators can be done by any or all of them. Creditors may, before these proposals are approved, nominate a different person or persons as liquidator(s), in accordance with paragraph 83(7)(a) Sch B1 IA86 and rule 3.60(6) IR16.

Estimated financial position

The directors of the Company have not yet given us a statement of affairs and at the date the proposals were issued were still within the legal time frame for this to be provided. We therefore set out at Appendix D an estimated financial position of the Company as at 11 January 2024.

As required by law, this includes details of the creditors' names, addresses and debts, including details of any security held with the details for employees and former employees of the Company and consumers claiming amounts paid in advance for the supply of goods and services in separate schedules. These separate schedules will not be filed at Companies House.

Statutory and other information

Court details for the administration:	High Court of Justice Business and Property Courts in Birmingham Insolvency & Companies List (ChD) CR-2024-BHM-000004
Full name:	ML2024 Limited (formerly Milspeed Limited)
Trading name:	Milspeed Limited
Registered number:	03304485
Registered address:	Willow Court Industrial Park, Bourton on the Water, Gloucestershire, GL54 2HQ
Company directors:	Ian James Milhench and Fiona Milhench
Company secretary:	Ian James Milhench
Shareholdings held by the directors and secretary:	1300 Ordinary Shares of £1 each - Ian James Milhench 825 Ordinary Shares of £1 each - Fiona Milhench
Has there been a moratorium under Part A1 IA86 in force within the 2 years prior to the Company entering administration?	No
Date of the administration appointment:	11 January 2024
Administrators' names and addresses:	Ross Connock of 2 Glass Wharf, Bristol, BS2 OFR and Edward Williams of 1 Chamberlain Square, Birmingham, B3 3AX.
Appointer's/applicant's name and address:	The Company directors - Ian James Milhench and Fiona Milhench of Willow Court Industrial Park, Bourton on the Water, Gloucestershire, GL54 2HQ.
Objective being pursued by the Administrators:	Objective (b) - achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in administration).
Is a statement being made under paragraph 52(1)(a to c) Sch B1 IA86?	Yes - (b) that the Company has insufficient property to enable a distribution to be made to Unsecured creditors other than by virtue of section 176A(2)(a) IA86.
Division of the Administrators' responsibilities:	For the purposes of paragraph 100(2) Sch B1 IA86, all functions and powers of the Administrators may be exercised by both of the Administrators jointly or by either of the Administrators separately.

Type of proceedings :	COMI proceedings
Any other information which the Administrators think necessary to enable creditors to decide whether or not to approve the proposals:	N/A

Receipts and payments account

ML2024 Limited (formerly Milspeed Limited) - in administration

Book values (£)		Notes	11 January 2024 to 15 January 2024 (£)
	Receipts		
	Assets subject to fixed charge - HSBC		
1	Business intellectual property		1.00
1	Goodwill		1.00
NIL	Books and records		1.00
NIL	Customer contracts		1.00
NIL	Customer list		1.00
NIL	Information Technology		1.00
	Total fixed charge receipts		**6.00**
	Assets subject to floating charge - HSBC		
575,000	Equipment at Bourton site	1	284,850.00
2,485,000	Stock of finished goods and Work in Progress		105,144.00
	Total floating charge receipts		**389,994.00**
	Licence to Occupy		
	Contribution to Licence to Occupy		45,505.00
	Total		**45,505.00**
	Payments		
	Total payments		**-**
	VAT control account		**9,101.00**
	Funds in hand		**444,606.00**

Notes to the Receipts and Payments account

1. Book values for assets are based on management accounts as at 31 October 2023, being the most up to date financial information available to the Administrators' on appointment and therefore may not reflect the most up to date position. The Book value for the sale of the equipment of £575k represents the book value for the Bourton on the Water and the Banbury sites; we have not been able to obtain a split for the two sites.
2. All realisations to date represent the proceeds from the pre-packaged sale to the Purchaser.
3. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties.
4. Funds are held in an interest bearing account with Barclays Bank Plc.
5. No trading account is provided within the receipts and payments account as there are no current trading related receipt and payment to reflect.
6. Book values for assets as per the Estimated Financial Position provided at Appendix D have been included where this information was available.
7. The funds received as Licence to Occupy funds, are funds received from the Purchaser under the SPA to settle ongoing rent to the landlord of the Bourton on the Water site in due course and is not an asset realisation for the benefit of creditors of the Company.

Appendices

Appendix A: Group information

Entity	Type	Parent
ML2024 Ltd (formally Milspeed Limited)	Parent company	N/A
Milspeed (India) Private Limited	Subsidiary	ML2024 Ltd
Milspeed S.A. (Proprietary) Limited	Subsidiary	ML2024 Ltd
Vietnam Representative Office	Representative office	N/A
Indonesia Representative Office	Representative office	N/A

Appendix B: Pre-administration costs

The table below provides details of costs which were incurred before our appointment as Administrators but with a view to the Company entering administration. Details of the work done and expenses incurred follow.

	Details of agreement including date and parties to it	Paid amount (£)	Payment made by	Unpaid amount (£ unless stated otherwise)	Nature of the payment
Our fees as Administrators -in-waiting	Engagement letter between the Company and the Administrators -in -waiting dated 21 November 2023	-	n/a	311,405.10	n/a
Expenses incurred by us as Administrators-in- waiting as follows:					
Mileage	Engagement letter between the Company and the Administrators - in - waiting dated 21 November 2023	-	n/a	83.38	Travel
Legal fees (DLA Piper)	Engagement letter between DLA Piper and the Administrators-in-waiting dated 1 December 2023	-	n/a	88,581.07	Pre-appointment legal advice and legal assistance with the pre-packaged sale
Legal disbursements UK (DLA Piper)				215.04	Legal disbursements
Various foreign counsels fees*	Engagement letter between DLA Piper and the Administrators-in-waiting dated 1 December 2023	- -	n/a n/a	USD 1,741.59 USD 5,660.00 HKD 12,340.00	Specialist legal advice on overseas employment
Agents' fees (LSH)	Engagement letter between the Company and LSH dated 24 October 2023	2,000.00	the Company	-	Agents' fees for valuation of the Company's assets
Agents' disbursements (LSH)	Engagement letter between the Company and LSH dated 24 October 2023	200.00	the Company	-	Agents' disbursements for valuation of the Company's assets
Agents' fees (LSH)	Instruction on 18 December 2023 by the Administrators-in-waiting	-	-	500.00	Desktop appraisal of Company's stock values
Total		**2,200**	**n/a**	**£400,784.59** **USD 1,741.59** **USD 5,660.00** **HKD 12,340.00**	**n/a**

*These disbursements will be subject to conversion at the applicable exchange rate.

Details of the pre-administration work undertaken and a breakdown of expenses

Our work was performed under an engagement letter dated 21 November 2023. Our fees have been calculated on a time cost basis, using our usual charge out rates for work of this nature. We set out below an analysis of the work undertaken by the Administrators-in-waiting for the period 6 December 2023 to the time of our appointment on 11 January 2024, by grade and work type.

Worktype category	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Total hours	Total cost (£)	Average hourly rate (£)
Assets	-	-	2.40	1.00	0.50	-	**3.90**	**3,064.00**	**785.64**
Creditors (including ROT and secured)	-	-	14.20	-	3.00	-	**17.20**	**13,832.00**	**804.19**
Employees and pensions	-	-	15.50	7.00	0.35	-	**22.85**	**18,713.00**	**818.95**
Sale of business	-	56.00	63.15	-	-	-	**119.15**	**108,069.00**	**907.00**
Statutory and compliance	-	0.70	47.30	28.30	28.55	5.30	**110.15**	**80,465.70**	**730.51**
Strategy and planning	-	4.50	7.05	22.55	44.30	5.10	**83.50**	**53,311.40**	**638.46**
Trading considerations and planning	-	-	11.75	16.00	15.50	-	**43.25**	**30,155.00**	**697.23**
Tax and VAT	-	-	2.50	-	0.50	-	**3.00**	**3,795.00**	**1265.00**
Totals	**-**	**61.20**	**163.85**	**74.85**	**92.70**	**10.40**	**403.00**	**311,405.10**	**772.72**

The following work was performed by PwC with a view to the Company entering administration, please note this is a summary of the work performed and not an exhaustive list:

Assets:

- Liaising with the agents in respect of the valuation of the assets across the sites at Banbury and Bourton on the Water;
- Liaising with interested parties and customers regarding the assets excluded from the pre-packaged sale regarding interest in purchasing these assets;
- Determining the position between financed and non-financed assets;
- Liaison with finance providers for leased assets; and
- Discussions with Company directors regarding assets of the Company excluded from the sale and estimated value and prospect of recovery.

Creditors (including ROT and secured)

- Liaising with the Bank in relation to the proposed appointment of the Administrators;
- Providing the Bank with an update on the progress of the pre-packaged sale of the business and strategy in respect of the remaining business of the Company operated out of the site at Banbury; and
- Establishing the estimated position regarding ROT creditors to enable conversations with potential ROT creditors to be undertaken immediately following appointment.
- Providing support to the directors with respect to safeguarding the Company's assets and in relation to the moratorium created by the NOI.

Employees and pension:

- Liaising with our internal employee specialists to assist with the preparation of and implementation of an employee strategy following appointment, including but not limited to obtaining payroll information, establishing status of employees and self-employed agents, ascertaining which employees would transfer to the Purchaser under TUPE on completion of a pre-packaged sale, determining strategy for those employees who did not transfer to the Purchaser under TUPE as part of the pre-packaged sale and obtaining legal advice in respect of individuals employed in overseas jurisdictions;
- Liaison with company directors to collect payroll information;
- Analysis and calculation of employee claims;
- Drafting employee communications to be issued on appointment of the Administrators;
- Post appointment payroll planning; and
- Liaising with our internal pensions specialists in relation to the defined contribution pension scheme in place, making necessary information requests and enquiries whether there are any outstanding contributions and planning for settling any post appointment contributions.

Sale of business:

- Negotiations and liaison with interested parties, holding discussions and answering due diligence queries;
- Negotiating with the Purchaser and its Italian and UK legal advisors regarding offers in respect of the footwear business and assets;
- Liaising with agents around value to be ascribed for various assets as part of the pre-packaged sale;
- Various negotiations around SPA, LtO, assignment of Intellectual Property and holding all party calls to agree sale terms and post sale obligations for the Company and the Purchaser of the footwear business and assets to enable a pre-packaged sale to be transacted;
- Updating estimated outcome statements based on sale negotiations;
- Liaison with our VAT specialists to understand the Purchaser's expected VAT registration timelines;
- Estimating property related costs and negotiating LtO cash cover;
- Procuring and providing information requested by the Purchaser to progress the sale, including but not limited to:
    - Schedule of assets subject to the sale;
    - Schedule of leased assets;
    - Schedule of employees subject to transfer and related ongoing costs;
    - Schedule of overseas employees and related costs;
    - Schedule of raw materials subject to sale post ROT claims resolutions;
    - Information on payroll payments made up to completion;
    - Information on the foreign entities (registration certificates, contact details, leases and other agreements)
    - Copies of leases for the Bourton on the Water property and procuring discussions with the landlord; and

- ROT documentation.

Statutory and compliance:

- Pre-appointment discussions with our insurers to ensure appropriate insurance cover could be effected immediately following appointment;
- Pre-appointment discussion with insurers and internal Health and Safety specialists in relation to Health & Safety assessments required post appointment and measures that need to be taken following our appointment and the trading period in relation to hazardous waste at the Banbury site;
- Pre-administration compliance including a review in line with the Insolvency Code of Ethics 2020;
- Filing the notices of intention to appoint the Administrators and liaising with the QFCH regarding the appointment of the Administrators;
- Preparing statutory documentation and declarations required for effecting the administration appointment and liaising with our legal advisors in this regard;
- Obtaining and discussing legal advice in respect of the appointment;
- Setting up the systems necessary to deliver the administration strategy and ensuring relevant internal approvals and notifications are completed;
- Drafting the copy of the Administrators' report to creditors on the pre-packaged sale of part of its assets in accordance with SIP 16;
- Drafting the Administrators' proposals for achieving the purpose of administration;
- Preparing initial letters to creditors and other statutory notifications to be issued immediately following our appointment; and
- Internal procedures in preparation for accepting the appointment and implementing relevant systems and controls in place.
-

Strategy and planning:

- Frequent meetings with Company management and directors regarding administration planning, including obtaining financial and other information from management, strategy discussions around the sale of the business, identifying and collating data on the creditors of the Company and identifying critical suppliers of the Company, who required contact by the Administrators immediately following appointment;
- Planning for the data capture process to extract data required by the Administrators post appointment from the Company's various IT systems;
- Holding regular all workstream calls to keep informed of strategy decisions and action points in the lead up to the appointment;
- Preparing file notes evidencing the strategy and decision making process leading up to our appointment;
- Reviewing Companies House filings to ascertain the Company, Group structure and key stakeholders;
- Developing and preparing our communication strategy to various stakeholders (including creditors and suppliers to issue immediately following appointment) and drafting the information to be published on the Administrators' website following appointment;
- Developing and maintaining our administration strategy for the post appointment period.

Trading considerations and planning

- Understanding the operations at the Banbury site, manufacturing processes involved, staffing requirements and any additional health and safety requirements of continued trading;
- Assessing the viability of implementing a strategy to continue trading operations from the Banbury site post administration to complete existing customer orders and potentially additional orders. This included but wasn't limited to discussions with customers and negotiations of terms of supply, gathering and analysing cost data to determine trading costs and required pricing, liaison with staff and customers to ensure that the production schedule can align with raw material lead times;
- Ascertaining the position regards existing customer orders and liaising with these customers;
- Understanding and assessing the position with suppliers and access to raw materials required to complete orders; and
- Preparing and maintaining an estimated trading cashflow and profit and loss account to assess the viability of trading profitably.

Tax and VAT:

- Seeking and obtaining specialist internal tax and VAT advice in relation to the pre-packaged sale; and
- Liaising with Company staff to obtain information relating to the Company's VAT status to assist with cash flow forecasting post administration.

The above is indicative of the key areas of work performed and is not an exhaustive list. We believe that the above work was necessary in order to achieve the objective of the administration, maximise realisations and provide the best available outcome for creditors.

DLA Piper legal costs

For the period from 6 December 2023 to 11 January 2024, DLA Piper incurred a total of £88,581.07 of fees based on time cost basis. This represents a total of 272.40 hrs with an average charge out rate of £325.19 per hour.

In addition to the time costs incurred, DLA Piper have also incurred the following disbursements:

UK disbursements	Cost (plus VAT) (£)
Court Fees	150.00
Taxi Fare	32.94
Search Fees	12.10
CHAPS Fees	20.00
Total	**215.04**

Overseas disbursements*	Cost (plus VAT)
Makarim & Taira S. (Indonesia counsel)	USD 1,741.59
VNA Legal (Vietnam counsel)	USD 5,660.00
Eiger Law (Taiwan counsel)	HKD 12,340.00

**Such disbursements will be subject to applicable conversion rates to £ sterling.*

DLA Piper The work completed by DLA included but was not limited to:

- Drafting and negotiating all transactional documentation including (but not limited to) a sales agreement, licence to occupy, IP assignment and completion undertaking;
- Updating legal documentation as negotiations progressed;
- Corresponding with the purchaser's solicitors in terms of the transactional documents, the structure of the transaction and proposed timetable.
- Providing advice regarding the treatment of stock subject to ROT and the deferred purchase of such in the SPA;
- Advice to the administrators in waiting and correspondence with the Purchaser regarding employee contracts and TUPE regulations as well as overseas employees;
- Advice on the Company's registered overseas offices and any potential shareholding which the company may have had in overseas companies;
- Obtaining specialist legal advice from other jurisdictions and foreign counsel in respect of the foreign representative entities and affiliated staff and ensuring correct procedure as part of the pre-packaged sale; and
- DLA Piper also assisted in drafting and filing documentation in relation to the appointment of the Administrators
- Coordinating the appointment of the Administrators.

LSH

For the period 6 December 2023 to 11 January 2024 LSH were paid a fixed fee of £2,000 plus VAT and disbursements of £200 plus VAT in relation to asset valuations of the Company.

LSH were instructed by the Administrators-in-waiting on 18 December 2023 to perform a desktop stock appraisal on a fixed fee basis of £500 plus VAT. This amount remains unpaid.

Appendix C: Copy of the Administrators' report to creditors on the pre-packaged sale of the business and part of its assets

To all known creditors

18 January 2024

Our ref: /IR16M700

Dear Sir/Madam

ML2024 Limited (formerly Milspeed Limited) – in administration (the Company)

Why you've received this letter

Further to our letter dated 15 January 2024, I write to provide you with details regarding the administration and sale of part of the Company's business and assets to Tecnospeed Limited.

The purpose of administration

The statutory purpose of an administration is to achieve one of these objectives:

(a) rescuing the Company as a going concern, or if that is not possible or if (b) would achieve a better result for the creditors than (a)
(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 finally, if that isn't possible
(c) realising the Company's assets to make a distribution to secured or preferential creditors.

In this case, we are pursuing objective (b), as it wasn't possible to rescue the Company as a going concern.

Sale of part of the business

I'm pleased to tell you that on 11 January 2024 part of the Company's business and assets, comprising the business and assets of the site at Bourton on the Water, were sold to Tecnospeed Limited as a going concern. Details of the sale are in the appendix.

The sale enables the statutory purpose to be achieved and was the best available outcome for creditors as a whole in all the circumstances. The sale has resulted in 22 jobs in the UK being saved and 11 jobs overseas.

The Company's operations at Banbury were not included in the sale and the administrators continue to explore options for that business unit.

If you're a supplier or customer with an outstanding order, you want to reclaim stock subject to retention of title or you own property hired or rented by the Company, please email uk_ml2024enquiries@pwc.com. Please also contact us at the same email address if you hold Company property.

PricewaterhouseCoopers LLP, 8th Floor Central Square, 29 Wellington Street, Leeds LS1 4DL
T: +44 (0) 113 289 4000, F: +44 (0) 113 289 4460, www.pwc.co.uk

Yours faithfully
For and on behalf of the Company

Ross Connock
Joint administrator

Enclosure: SIP 16 statement

Ross Connock and Edward Williams have been appointed as joint administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales. The joint administrators are bound by the Insolvency Code of Ethics which can be found at: https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics.

The joint administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the joint administrators. Personal data will be kept secure and processed only for matters relating to the joint administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the joint administrators.

APPENDIX

Information regarding the sale of part of the business and assets of ML2024 Limited (formerly Milspeed Limited) on 11 January 2024 as required by Statement of Insolvency Practice No.16 (SIP 16)

The purpose of Statements of Insolvency Practice (SIPs) is to promote and maintain high standards by setting out required practice and harmonising the approach of Insolvency Practitioners to particular aspects of insolvency work.

SIP 16 relates to situations where the sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an administrator and the administrator effects the sale immediately on, or shortly after, appointment. This is sometimes referred to as a "pre-packaged sale".

In the lead up to an administration appointment, an insolvency practitioner may act as an advisor to the company as it seeks to make arrangements for a sale. Their role at this time is to advise the company, rather than the directors or the purchaser.

Following an appointment where no sale agreement has yet been signed, the insolvency practitioner may become the administrator and complete the sale in that role. When considering the manner of disposal of the company's business or assets, an administrator must bear in mind their duties to the company's creditors as a whole.

A copy of SIP 16 can be found at the link below:
https://www.icaew.com/-/media/corporate/files/technical/insolvency/regulations-and-standards/sips/england/sip-16---england-and-wales-300421.ashx

More information regarding the purpose and process of administration can be found at the link below:

https://www.r3.org.uk/media/documents/publications/professional/Creditors_Administration.pdf

Information relating to this sale is set out in the remainder of this Appendix.

Abbreviations and terms used in this document

Administrators/Joint Administrators/we/us/our	Ross Connock and Edward Williams
Administrators-in-waiting	Ross Connock and Edward Williams
AMA process	Accelerated Merger or Acquisition process
Bank	HSBC UK Bank Plc, HSBC Bank Plc and HSBC Invoice Finance (UK) Ltd
CBILS	Coronavirus Business Interruption Loan Scheme
Company	ML2024 Limited (formerly Milspeed Limited) (in administration)
Group	ML2024 Limited (formerly Milspeed Limited), Milspeed S.A. (Proprietary) Limited and Milspeed (India) Private Limited

HMRC	HM Revenue & Customs
HSBC	HSBC UK Bank Plc and HSBC Bank Plc
HSBC IF	HSBC Invoice Finance (UK) Ltd
IA86	Insolvency Act 1986
IBR	Independent Business Review
IM	Information Memorandum
IR16	Insolvency Rules (England and Wales) 2016
Leasehold Properties	• UNITS 2, 3, 8, 9 AND 9A Willow Court, Bourton Industrial Park, Bourton on the Water, Gloucestershire, GL54 2HQ; and • 14b Wildmere Road, Banbury, Oxfordshire, OX16 3JU.
LSH	Lambert Smith Hampton
LtO	A licence to occupy granted over the leasehold property at UNITS 2, 3, 8, 9 AND 9A Willow Court, Bourton Industrial Park, Bourton on the Water, Gloucestershire, GL54 2HQ and dated 11 January 2024
M&A sales process	Mergers & Acquisitions process
NDA	Non-disclosure agreement
NOI	Notice of Intention to Appoint Administrators
Ordinary preferential creditors	Creditors with claims defined in IA86 as ordinary preferential debts. These include claims for unpaid remuneration earned in the four months before the relevant date of the insolvency up to a maximum of £800, an unlimited amount of accrued holiday pay and unpaid pension contributions in certain circumstances
Prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Proposals	Joint Administrators' proposals for achieving the purpose of administration dated 18 January 2024
Purchaser	Tecnospeed Limited, company number 15371371
PwC	PricewaterhouseCoopers LLP
ROT	Retention of Title

Secondary preferential creditors	Creditors with claims defined in IA86 as secondary preferential debts to be paid after ordinary preferential debts, if there are sufficient funds These include claims for: ● certain HMRC debts owed at the date of insolvency, consisting of VAT; ● relevant amounts deducted by the Company from payments due to another taxpayer and due to be paid over to HMRC (e.g. PAYE, employee NICs and Construction Industry Scheme deductions); ● Penalties and interest do not form part of HMRC's preferential claim
Secured creditors	A creditor with security in respect of their debt, in accordance with section 248 IA86
SIP 16	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
SPA	Sale and Purchase Agreement
Unsecured creditors	Creditors who are neither secured nor preferential

Background	**The Company** The Company was incorporated on 20 January 1997. It is a family owned business which is owned and managed by its two directors who are also its majority shareholders. The Company employs 35 employees across two Leasehold Properties, one located in Banbury, Oxfordshire and the other located in Bourton on the Water in Gloucestershire. The Company has historically worked with customers to develop innovative, high-performing and sustainable coated film based solutions, being a global leader in extrusion coating and converting for footwear, apparel, specialist film applications and in reprocessing plastic waste into pellets and products. The site at Bourton on the Water recycles plastic waste such as plastic scrap and ghost fishing nets and performs finishing tasks (e.g. cutting) for the material extruded at Banbury. The site at Banbury manufactures sheets of material for the production of footwear and apparel components such as box toes, counters, shoe reinforcements and lining materials for the world's leading athleisure footwear and apparel brands such as Nike, Adidas, Brookes and K Swiss among others. It also manufactures specialist films for industrial, packaging, adhesive and security products. Sales of these products are more ad-hoc but the Company does have a number of repeat customers across the UK and Europe. The majority of finished goods for the footwear sector are shipped to warehouses and then customer factories in the Far East. Raw materials are purchased mainly from Europe and shipped to the UK. The Company is the immediate and ultimate parent of two subsidiary companies in India and South Africa, which operate as standalone entities with their own management, and is affiliated with an entity in Vietnam. The Company also has two overseas representative sales offices, one in Indonesia and one in Vietnam. These are engaged in business promotion only and liaison with warehouses and customer factories in those jurisdictions. There is also specific representation in the USA via a sales agent. The Company also traded with an unconnected Chinese entity which was engaged in promoting the business of Milspeed Limited. A total of 11 staff work for the Vietnam and Indonesia representative offices. The Company also has one self-employed sales agent in the USA. The Company has been funded by the Bank as Secured creditor via fixed and floating charge debentures secured against a composite overdraft facility (£1.1m limit), CBILS loan (c.£0.9m), trade loans (limit €2.4m), and an invoice discounting facility over the Company's book debt ledger (£1.5m limit). The Company traded in Sterling, US Dollars and Euros.

	Financial performance of the Company Prior to the COVID 19 pandemic, the Company generated a stable level of profit. However, economic volatility since FY20 has resulted in difficulties forecasting demand and supply chain issues. In FY22, the Company generated turnover of £11.9m and an EBITDA loss of £90k. In the 10 months to October 2023 it had generated revenue of £6.7m and an EBITDA loss of £1.3m. The Company had generated large cash losses driven by a number of factors: 1) **Energy and raw material costs:** Production is energy intensive so recent significant increases in energy costs coupled with increases in raw material costs have resulted in lower margins. The Company has been unable to pass these increased costs on to customers due to customers' high bargaining power. 2) **Overstocking:** Several of the Company's footwear customers overstocked in anticipation of high sales following the COVID 19 pandemic restrictions lifting. Consumer demand slowed, leading to brands destocking over a prolonged period. The business was left with a significant amount of inventory that it was unable to sell which was produced at a higher cost. 3) **Administrative expenses:** In FY22, interest costs increased due to higher borrowing costs and additional debt. Foreign exchange losses arose due to exchange rate fluctuations with no hedging in place. Other costs arose following COVID 19 restrictions being lifted resulting in a return to office, visiting overseas customers and trade shows. 4) **A debt of £1.2m** is owed by a connected Indian entity for stock. This debt has built up over a number of years but the value is material to the business which generated c. £300-£500k of net profit per year. 5) **The business took on additional property space** to allow for expansion which was expected due to a large business pipeline and before difficult trading conditions began. This has added an overhead which is disproportionately large for the size of the business. 6) In addition, whilst this was not a cash cost in the period to appointment, the Company had been served a **dilapidation claim by the landlord of the Banbury site in the amount of £1.2m.** The landlord was applying a lot of pressure to have this claim resolved and remedial works performed on the property as it was the beneficiary of a guarantee in respect of any liabilities of the Company forming under the lease which will expire at the end of March 2024. As a result, cash significantly reduced in FY22 due to the unwinding of working capital, which resulted from reduced sales and lower production at the end of FY22, along with increased overheads. To meet its outgoings, the Company sold stock at a lower margin to customers as well as increased use of trade loans, overdraft facilities and invoice discounting facilities. In FY23 this position compounded further with the Company directors being increasingly reliant on deferring trade loan repayments and extending creditor repayment terms to remain within the terms of its secured facilities. At the same time sales remained low, with sales continuing to be achieved at lower than normal margins. The Company directors were actively pursuing potential opportunities to increase the Company's order pipeline which if realised would restore normal levels of profitability in FY24. However it was

	recognised that there remained significant risk as to whether this pipeline would be converted into actual sales. In addition, due to lead times in delivering stock to customer factories in the Far East, the Company was having to manufacture based on forecasts, with firm commitments from customers only being made at the time an order was placed and after the goods had been made and shipped. This meant longer term sales and purchase requirement forecasting was difficult. There therefore remained significant uncertainty regarding whether the Company could trade itself out of financial difficulty. Due to concerns over the financial performance of the Company, the Bank requested that the Company directors instruct an IBR of the Company's financial forecasts. PwC was engaged on 6 June 2023 by HSBC, HSBC IF and the Company to perform this review and advise on next steps. Given the ongoing losses and the highly leveraged position of the business, the Bank had no appetite to increase facilities and the existing shareholders were unable to provide additional funding. Alongside the IBR, management had continued to explore the interest of an Italian trade party which had been in talks with the Company for an equity investment since early 2023. However, in July 2023 the party withdrew its interest citing concerns over the level of funding required. **M&A sales process** The Company directors, therefore, instructed PwC to perform an M&A sale process to explore interest in investment by third parties or the sale of the Company on a solvent basis in August 2023. The sale process was extensive and as part of this process: • 45 parties were approached to express an interest in purchasing the Company; • This included 15 trade parties (including competitors of the Company) and 30 potential finance investors; • 13 parties signed an NDA and received an IM; • Ten parties withdrew any interest after receipt of the IM, prior to the bid deadline. Reasons cited for withdrawing interest included the existence of uncertain market conditions for an ambitious revenue driven turnaround as well as the size of existing debt presenting too much risk; • Parties who remained in the process were given until midday on Friday 18 August 2023 to submit offers; • One party provided a non-binding indicative offer of £1 but verbally stated that this offer was a means for staying in the process only and it was actually only interested in transacting on an insolvent basis; • By the time this offer was received, the Company directors had entered talks with a US competitor which had expressed an interest in a solvent purchase of the Company and, therefore, the indicative offer of £1 above was not acceptable to the Company shareholders; • No other offers were received by the deadline but a further party had expressed an interest in purchasing the business from insolvency. Alongside the M&A sales process and as mentioned above, the Company approached a US party who is a direct competitor of the Company (whose synergies with the Company's business had been previously identified) to

	see if it would be interested in purchasing the Company on a solvent basis. This party did show initial interest and made a non-binding indicative offer of £5.5m - £6.5m for 100% of the share capital of the Company on 25 August 2023 based on trading and profit assumptions. This offer was subject to due diligence and site visits, among other things, being carried out prior to a formal offer being made. The party carried out the required due diligence over the course of the following few weeks and a team was sent to visit the UK in mid-October 2023 to inspect the two sites at Banbury and Bourton on the Water and the Company's machinery. Unfortunately, on 20 October 2023, following the site visits, the party withdrew its interest citing significant challenges and costs with relocating the cast film extrusion line to the Far East, which was its main interest. In late October 2023 the Company approached the Italian trade entity it had been in talks with prior to the M&A sales process commencing and a Spanish contact of the Company directors to explore whether either or both parties would be interested in acquiring a minority investment in the Company to bridge to improved trading with Bank support. The Company secured an offer for £600k investment from both parties on a consortium basis. On 13 November 2023, the Company presented to the Bank an updated trading forecast including revised trading expectations and the proposed equity injection. The forecast required the Bank to convert all of the trade loan balances (to the limit of €2.4m) into a loan with no repayments over a five year period. This proposal was not agreeable to the Bank due to the extended period of support required and with the ongoing trading risk over the forecast period which may have led to further requests for additional financial support from the Bank. **The AMA process** Having exhausted all solvent options and having considered the Company's position, on 21 November 2023 the Company's directors re-engaged PwC to run a final accelerated marketing process by way of AMA process for the Company's business and assets and, in the absence of interest in a solvent sale, plan for the Company's insolvency, which included cash monitoring support. As part of this AMA process, 21 parties who had been approached as part of the M&A sales process were approached again. The parties re-approached were selected based on the previous interest they had expressed and level of engagement they had shown in the prior M&A sales process. Of the parties approached, two equity investment funds and the Italian party (referred to above) expressed an interest in purchasing part of the Company's trade and assets on an insolvent basis via a pre-packaged sale in administration. One of the equity investment funds was interested in purchasing the business and assets at the Bourton on the Water site, with the second equity fund being interested in the business and assets at the Banbury site. Unfortunately, following an accelerated diligence process which included site visits and conversations with Company directors and key employees, both equity funds declined to proceed further on 1 December 2023 and 19 December 2023 respectively. The reasons provided by one of the equity funds were that it considered that synergies were insufficient to justify the investment and the other felt the investment required to purchase assets and fund working capital was too great.

	The Italian party expressed interest only in the purchase of the business and assets at the Bourton on the Water site and footwear specific assets and continued to perform its due diligence and enter into negotiations with the Company into December 2023. To be in a position to make a formal offer, the party required additional time to complete its due diligence, however, discussions were positive and it was anticipated that agreement could be reached to sell part of the Company's business and assets. Whilst the due diligence and negotiations were ongoing, the Company's electricity supplier issued a statutory notice against the Company on 5 December 2023, stating that it would disconnect the Company's electricity supply on 8 December 2023. This would have resulted in the Company no longer being able to trade, with operations being ceased immediately and significantly eroding value in the Company's business and assets. As negotiations for the sale of the business with the Italian party, who is the ultimate parent of the eventual Purchaser, were progressing but not sufficiently to complete a sale, to protect the Company's position and prevent any additional creditor action whilst the potential sale was progressing, on 6 December 2023 the Company directors resolved to file a NOI and this was filed in court on the same day. The filing of the NOI gave the Company the protection required to progress a sale of the business and assets at the Bourton on the Water site and it was anticipated that this could be completed towards the latter half of December 2023. The Purchaser made a non binding indicative offer on 18 December 2023. The offer was subject to further diligence on a number of items but represented better value for all creditors than an alternative liquidation scenario (please see the Alternative options considered section later in this appendix) and therefore the Company directors resolved to file a second NOI on 19 December in order to allow additional time for a transaction to complete. The second NOI period included the Christmas and new year bank holidays and whilst all parties continued to work throughout that period, some disruption to the process was experienced. In addition, the Purchaser had no prior UK operations or experience of UK insolvency processes and this made the negotiation and drafting of contracts more protracted. Practical matters such as creating a new company with VAT registration capable of trading on day one of completion added some delay in being able to complete a sale. A binding final offer was received from the Purchaser, based on the agreement of substantially all material items in the draft SPA, on 4 January 2024 and the Purchaser requested an extension to the original completion deadline (4 January 2024) to Tuesday 9 January 2024 in order to finalise the SPA and obtain necessary tax advice and registrations in order to be able to commence trading immediately following completion of a sale. The Company directors therefore resolved on 4 January 2024 to file a third and final NOI on that basis and to enable the transaction to complete. On 11 January 2024 the Company directors took steps to place the Company into administration and appoint administrators. Immediately following our appointment as Administrators we concluded the sale of part of the Company's business assets, being the business and footwear specific assets to the Purchaser.

	22 UK based employees transferred to the Purchaser under TUPE as part of the sale. A further 11 overseas based employees also transferred to the Purchaser. Due to the absence of additional funding being available to the Company and compounding liquidity issues the Company faced, there was no prospect of the Company's business continuing to trade solvently and therefore any transaction needed to complete quickly. The sale to the Purchaser represented the best available offer and therefore was proceeded with. The continuation of the business at the Bourton on the Water site through a pre-packaged sale in administration has also resulted in a better outcome (versus a closedown scenario) for creditors and other stakeholders as a whole for reasons including: ● The TUPE transfer of 22 UK employees reduces preferential claims in the administration estate and preserves employment for these employees; ● the Purchaser will also be making offers of employment to the 11 overseas staff affiliated with the Company's footwear business which we expect will mitigate unsecured claims in the administration; and ● Customers have continuity of supply, which should assist with the recovery of book debts.
The administrators' initial introduction	Edward Williams was first introduced to the Company on 17 May 2023 by the Company's relationship director at the Bank. Ross Connock was introduced to the Company on 23 May 2023 and was subsequently engaged to perform an independent business review for the Bank under an engagement letter dated 6 June 2023.
The extent of the administrators' involvement before the appointment	Pursuant to the above, PwC was engaged as follows: **Engagement Letter dated 6 June 2023** PwC was engaged by the Company and the Bank to perform an IBR, the scope of which included: ● Review and comment on the Company's short term cash flow forecast for the period 29 May 2023 to 18 August 2023; ● Review the Company's medium term profit and loss, balance sheet and cash flow forecast for the period 1 January 2023 to 31 December 2025; and ● Perform an options analysis including commenting on the way any funding need could be met by non-bank means and the options available to the Bank and the Company, including commentary on the advantages and disadvantages of each option. **Engagement letter dated 8 August 2023 (M&A sales process)** PwC was engaged by the Company and Ian Milhench and Fiona Milhench (as Shareholders of the Company) to provide advice on strategic M&A options for the Company and support in a sales process. This work included: ● Assisting the Company in compiling a list of potential purchasers; ● Initial approach to the potential purchasers;

<table>
<tr><td></td><td>● Assisting with the preparation of company information to attract initial expressions of interest and prepare a confidential IM and issuing this IM to potential purchasers;
● Assisting the Company with responses to queries on the IM;
● Assisting with preparation for financial due diligence to be carried out by potential purchasers, including assisting with the set up and monitoring of a data room, if applicable;
● Assisting the Company in its negotiation of price and commercial terms with potential purchasers; and
● Reviewing and evaluating offers received.

Engagement letter dated 21 November 2023 (AMA process)

PwC was engaged by the Company to perform insolvency planning for the Company, including running an AMA process, contingency planning in the event of a pre-packaged sale in administration and assistance with cash flow planning and critical payments in the period. This work included:

● Marketing of the Company's business and assets for sale, assisting the Company with preparation of a trading update and summary of investment opportunity, assisting with responses to queries from potential purchasers, facilitate data room access, and assist the Company with the negotiation of price and commercial terms with potential purchasers;
● Reviewing offers, preparing any documentation in relation to a proposed pre-packaged transaction;
● Assisting the Company in assessing its cash flow forecast with a focus on critical payments in the period up to an insolvency process;
● Contingency planning in the event of a pre-packaged sale of the Company's business, focussing on insolvency strategy, identifying group entities to enter a process, supplier, contract, liquidity and employee strategy in the event of insolvency and looking at potential illustrative outcomes under different insolvency strategies; and
● Support with cash flow monitoring.</td></tr>
<tr><td>Alternative options considered by the directors before formal insolvency and by the administrators on their appointment and during the administration and the possible outcome(s) of the alternative options</td><td>The following alternative options were considered by the Company before formal insolvency:

Continuing to trade the business outside an insolvency process and seeking to effect a successful turnaround

Given the Company's acute liquidity issues, this option would have required a significant and immediate cash injection. Based on the Company's last proposal to the Bank, a £600k cash injection through a minority investment in the Company by third parties, was not going to be sufficient for the business to trade out of difficulty and continue to service its debt to terms. The Company was unable to obtain additional funding from its existing shareholders, the Bank or third parties. Therefore, this was not considered a viable option.

In addition, on 7 November 2023, the Company had been served a hostile Notice of Termination of the lease at the Banbury site under Section 25 of the Landlord and Tenants Act 1954 and opposing grant of a new lease under section 30 (1) due to its failure to comply with maintenance and repair obligations, meaning the lease would have terminated in May 2024 rendering the Company unable to trade from the premises.</td></tr>
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	Additional debt/equity All equity options had been explored and exhausted through the M&A sales process and subsequent negotiations with the US, Italian and Spanish parties (discussed in more detail in the Background section above). The Company directors had requested further funding from the Bank in the form of rolling/extending trade loans and conversion of the trade loans to a new loan facility with no amortisation for an extended period. Whilst the Bank has supported the business by way of short term deferrals of a number of immediately due trade loans, the longer term support was not a viable option. The Company's shareholders were also unable to provide additional funding. Given the existing levels of debt in the business, raising additional debt or alternate investment was unlikely in the time available and had not been forthcoming from the accelerated investment/sale process. Therefore this was not considered a viable option. **Sale as a going concern** This had previously been explored. Extensive market testing has been undertaken prior to our appointment (see Background above for full details of the sale process and marketing to potential interested parties). Any offers received in marketing the business as a whole as a going concern (i.e. solvently) fell away on the provision of further information/due diligence. As a result, there was no indication that further market testing would result in a solvent sale or that other parties would be interested in buying the Company as a going concern. Given the critical liquidity issues faced by the Company, extending the sale process to test this further was not possible. A sale as a going concern was therefore not considered as a viable option. The following alternative options were considered by the Administrators before opting for administration: **Company Voluntary Arrangement ("CVA")** A CVA would only deal with unsecured debt and would require either the Bank to continue to fund the business or new lenders to be found, neither of which were viable options for the reasons set out above. In addition, a CVA would have required creditor approval to be implemented and is a lengthy process to achieve. We were aware of a utility provider threatening enforcement action against the Company pre-appointment and also potential recovery action being taken by one of the landlords of the Company. Creditor pressure meant there would be insufficient time to obtain approval to a CVA. A CVA was therefore not considered a viable option.

	Restructuring Plan / Scheme of Arrangement Any restructuring plan would have required additional funding to be made available to the Company, which as disclosed above was not available. This was therefore not considered as a viable option. **Liquidation / immediate shut down** The interest in a pre-packaged sale of the Bourton on the Water site in administration compared favourably to a liquidation on a number of grounds: The largest asset on the Company's balance sheet is stock but this is of very little value on a break-up basis if the Company entered liquidation as it consists of sheets of material and products made to specification for specific customers as well as raw materials some of which are potentially subject to ROT. A large proportion (almost 50%) of stock per the balance sheet is on the water or held in bonded warehouses in the Far East. A number of payments to the warehouses were overdue and therefore releasing/repatriating that stock was unlikely to generate value for creditors due to the potential need to settle arrears due for it to be released as well as incurring haulage and repatriation (e.g. duty) costs with uncertain demand for the products. Compared to liquidation it mitigates certain employee claims through the transfer of 22 of the 35 UK employees as well as offers of employment in respect of 11 affiliated overseas staff. . Liquidation would have resulted in increased Ordinary preferential claims due to all of the Company's employees being made redundant on appointment, as well as a potential increased Secondary preferential creditor claim from HMRC resulting from unpaid payroll deductions and an increase in residual Unsecured creditor claims in relation to unpaid payroll costs and other employee claims. This in turn would reduce the estimated return to HSBC under its floating charge and also to the Unsecured creditors of the Company via the Prescribed part when compared with achieving a sale of part of the Company's business and assets via a pre-packaged sale. Liquidation was therefore not considered to be an appropriate option in the circumstances. In addition it is expected that book debt recoveries for HSBC IF will be materially better, should the business at the Bourton on the Water site continue following a pre-packaged sale in administration , through continuity of supply for the customers, than if it had ceased trading and went into liquidation. **Trading administration** See details below.
Why it was not appropriate to trade the business and offer it for sale as a going concern during the administration	**Bourton on the Water site** Given the significant market testing and two sales processes that had been undertaken prior to appointment, there was no indication to suggest that a trading period in an insolvency would result in any better offer for the

	Company's business and assets as a whole or the business and assets of the Bourton on the Water site than the one which has been transacted. In addition, the necessary funding requirement for such a trading period would have been substantial and immediate, likely relying on an overdraft facility being needed by the Administrators immediately on appointment, to fund trading including ongoing payroll costs for retained employees. HSBC, who would have been relied upon to provide this facility as the Company's pre-appointment funder, had already indicated that it was unable to provide additional facilities to the Company pre-appointment. Due to the ongoing negotiations around the transaction as well as ongoing negotiations around the business at the Banbury site (see later in this section for more detail), the Administrators would not have been in a position to give HSBC accurate trading forecasts on which to base a decision to make an overdraft available to fund trading in administration. Trading the site at Bourton on the Water in administration would have resulted in significant additional professional costs, without any realistic prospect of an increased return to creditors as a result. A trading strategy would also have required the support of the Company's key suppliers. We were aware of key suppliers with significant arrears, which could have resulted in significant duress payments being required to enable production to continue. The settlement of any such pre-appointment arrears, would have resulted in an overall trading loss and a reduced return to creditors as a whole. Additional complications are created by the lead times involved in manufacturing products for the Far East with deliveries taking up to 90 days and requiring sea freight which creates additional risk of delays and loss. A trading administration of the business at the Bourton on the Water site was therefore not considered as a viable option. **Banbury Site** As part of the sales processes already conducted, no party made an offer for the business or assets at the Banbury site where, outside of extrusion of material for manufacture of footwear components, the main activity was the production of high quality specialist films and coatings using a cast film extrusion line. The Company directors therefore approached specialist film customers to explore interest in the accelerated production of filmic products until they are able to source alternative supply. A number of customers expressed interest in placing increased volume orders. In addition, the valuation agent instructed by the Company had advised that due to the size and specific property reinforcement needs of the cast film extrusion line housed at the Banbury site, it would be likely to take eight to twelve weeks to achieve a sale of the plant and equipment at the site. The Administrators-in-waiting therefore considered the possibility of trading the business at the Banbury site post appointment in order to generate a contribution towards the holding costs that would be incurred whilst the cast film extrusion line is being marketed for sale.

	We therefore deemed some reduced trading operations at the Banbury site for a brief period of time a viable option and it is our strategy for that part of the business in administration, however note that as the business and assets at the Banbury site do not form part of the pre-packaged sale, more information on our strategy for this part of the business will be included in our proposals as part of our wider administration strategy and not in this SIP 16 appendix.
Whether efforts were made to consult major or representative creditors	Prior to the Administrators' appointment and throughout the AMA process the Bank, as Secured creditor, had been consulted by PwC and the Company. The Bank was and continues to be supportive of the AMA, pre-packaged sale and administration strategy. The Company had liaised with the landlord of the Bourton on the Water site and a number of the suppliers related to the footwear business in order to explore their appetite to support the Purchaser via assignment of the lease and supply of raw materials in the future. The landlord of the Banbury site had been in negotiation with the Company over a material dilapidations claim and in relation to a guarantee provided by the Company from a third party. This landlord has, therefore, been made aware of the Company's efforts to find a buyer for the business. So as not to prejudice ongoing negotiations around the pre-packaged sale we did not consider it appropriate to consult with other parties.
Requests made to potential funders to fund working capital requirements	The Company made a formal request to the Bank on 8 November 2023. This involved a request for the Bank to convert the existing trade loans of €2.4m to a loan with no repayments for 5 years. This was declined on the basis that the period was too long, the new funding request (converting the trade loans to a permanent loan facility) was not agreeable and there were risks that the Company could require further funding in that time from trading and cash flow risks, such as the need to settle any dilapidations claim in respect of the leasehold property at Banbury. At the date of the first PwC engagement, the Bank had already been providing short term support by allowing the deferral of trade loan repayments. The Bank continued to defer trade loans and agreed to freeze all trade loan repayments when the Company directors decided that they had no remaining solvent options in mid-November 2023. Approaching third party working capital funders was not considered a viable option given the Company's financial difficulties and the existing security structure and indebtedness. The Company's majority shareholders had confirmed they were unable to inject any more funding into the business.
Details of registered charges with dates of creation	**Charge holder:** HSBC Bank Plc **Type of charge:** A legal assignment of contract monies **Assets charged:** Book debts **Date of creation:** 4 May 2023

	Charge holder: HSBC Invoice Finance (UK) Ltd **Type of charge:** Fixed and floating charge **Assets charged:** Book debts **Date of creation:** 5 July 2022 **Charge holder:** HSBC UK Bank Plc **Type of charge:** A legal assignment of contract monies **Assets charged:** Fixed charge on non-vesting debts and floating charge over all other assets **Date of creation:** 23 June 2022 **Charge holder:** HSBC Bank Plc **Type of charge:** Debenture **Assets charged:** Fixed and floating charge (floating charge covers all the property or undertaking of the Company. **Date of creation:** 5 July 2007
Whether or not the business or business assets have been acquired from an insolvency practitioner within the previous two years	The business or business assets have not been acquired from an insolvency practitioner within the last two years.
Marketing activities conducted by the Company and / or administrators	There were two marketing processes run by PwC being the M&A sales process and then the AMA process. Concurrently, the Company ran marketing processes with specific interested parties with which it held relationships. A summary of these marketing activities is provided below however more detail can be found in the Background section to this Appendix. **Company processes** The Company directors had already entered into discussions with the eventual Purchaser's parent entity in March 2023, however no offer to transact on a solvent basis was received. Concurrently with the M&A process being run by PwC the Company subsequently approached a US competitor regarding purchasing the Company on a solvent basis, however this interest was withdrawn. The Company directors sought to explore the option of raising additional finance to support the Company's business continuing as a going concern, and subsequently approached the eventual Purchaser and a Spanish contact of one of the Company directors to invest in the Company on a minority basis. Despite funding of £600k being offered by these parties, for reasons set out in the Background section above this proposal was not acceptable to the Bank. The Company reapproached these parties as part of the AMA process to discuss interest in purchasing the Company's business and assets on insolvent basis and the eventual Purchaser renewed its interest in engaging in this process.

	PwC processes **The M&A sales process** • Following discussions with the Company's shareholders/directors a list of 45 parties who could have been interested in the acquisition was produced. This consisted of 30 private equity parties and 15 trade parties. • This list was split into two priority tiers. • Those in tier 1 were to be approached first and those in tier 2 second and this was done without delay. Two trade parties, one in each tier, were not approached initially as there was concern over existing relationships those parties have with the Company's customers. Eventually, as other interest fell away, one of those parties was also approached whilst the other was approached by the Company directly. • The categorisation was based on several key factors; any trade synergies, the likely appetite for purchasing the Company's business in part or as a whole, the ability to transact in the required timeframe (being short due to the Company's liquidity issues) and commercial sensitivity around the interested parties/Company's ongoing business. • NDA's were agreed with 13 parties who all received an IM. • Two private equity funds indicated interest and one put forward an indicative bid but stated its interest was on an insolvent basis. As the bid was for £1, this was not palatable to the Company's shareholders or the Bank as the US competitor, who the Company had been in discussion with in parallel, had indicated to the shareholders that it would be interested in a solvent deal valuing the equity at £5.5-£6.5m and the shareholders wished to explore that interest further. • Therefore, the PwC run M&A process did not progress to final offers as the £1 bid was not an offer for a solvent purchase of the business and, unfortunately, the US competitor eventually declined to proceed. **The AMA process** PwC were asked to reapproach 21 parties from the M&A sales process (including the eventual Purchaser) as part of insolvency planning.The parties re-approached were selected based on the previous interest they had expressed and level of engagement they had shown in the prior M&A sales process. The AMA process resulted in three interested parties proceeding, however following further due diligence only one proceedable offer from the eventual Purchaser was received with the other two parties withdrawing from the process. **Other marketing considerations** The M&A sales process and AMA process ran from August 2023, with the Company concurrently exploring alternative options to achieve a sale to known third parties or obtain additional investment. The level of marketing activities conducted were limited to the cash runway of the Company. However, despite this limitation, as detailed above the M&A sales process and AMA process were widely broadcast to an appropriate pool of potential interested parties, who were collated based on discussions with the Company directors and shareholders. All parties approached were afforded

	the same access to information to perform their due diligence and decide whether to proceed in the process. The marketing processes were therefore extensive and proportionate and explored potential options to sell the Company's business and assets on both a solvent and insolvent basis. Marketing was performed specifically to potentially interested parties who were identified by the Company due to known potential synergies, being competitors of the Company, or equity/financing/turnaround institutions. The opportunity to purchase the Company was not broadcast more widely for example in any media due to the Company directors' concern that if customers found out that the business was in distress and for sale, they would source alternative supply preventing any transaction from being possible. No acceptable offers for the Company's business and assets as a whole were received, there is nothing to suggest that any further period of marketing in administration would have generated any additional offers for the whole of the Company's business and assets. Whilst the offer from the Purchaser was being progressed for the business and footwear assets of the site at Bourton on the Water, the Company sought to explore interest from customers of the specialist film business operated from the Banbury site to assess appetite for placing orders on an accelerated basis whilst they sought alternative supply and also whether these customers would potentially be interested in purchasing the business and assets of the Banbury site. As such interest was received in late December 2023/early January 2024 it was not possible to conclude this marketing process and transact any sale before appointment. However this assessment will continue as part of the post appointment administration strategy. We conclude that the Company's business and assets were marketed widely enough to generate the best offer and therefore the best outcome for the Company's creditors available.
Valuer's details	Simon Cornelius-Light, ANAVA of LSH undertook a valuation of the Company's plant and machinery dated 5 January 2024. LSH confirmed it was independent to act and that it carried adequate professional indemnity insurance.
Valuations of the business or the underlying assets	The Company directors instructed LSH prior to our appointment to perform a valuation of the Company's plant and equipment at each site. The valuation for Bourton on the Water is summarised below:

	In Situ - £	Ex Situ - £
Bourton on the Water - owned assets	419,000	271,500
Assets subject to finance	135,000	52,500
Total	554,000	324,000

	The valuation above includes two assets subject to finance. The valuation took no account of the costs of removal and realisation, which on an ex-situ basis are assumed to be c. 15-20%. As at Oct-23, the company had a total of £4.2m of footwear stock at net book value. Indicative values for the stock have been provided by LSH on a break-up basis at c. 2.5-5% of book value. Due to stock on the water and stock located overseas it was not physically inspected or counted. It has not been possible to verify the quantities, quality, existence or value of the overseas stocks which are held in third party warehouses in India, China, Vietnam and Indonesia. These had a net book value of £2.2m as at 31 October 2023. Although valuations of the plant and equipment were performed for those assets held at the Banbury site, as these assets do not form part of the pre-packaged sale in administration, they are not detailed here so as not to prejudice ongoing negotiations for sale.
The date of the transaction	11 January 2024
The identity of the purchaser(s)	Tecnospeed Limited is a company incorporated in England and Wales with registered number 15371371
Any connection between the purchaser(s) and the directors, shareholders or secured creditors of the Company or their associates	There is no connection between the Purchaser and the directors, shareholders or Secured creditors of the Company or its affiliates.
The names of any directors, or former directors (or their associates), of the company who are involved in the management, financing, or ownership of the purchasing entity, or of any other entity into which any of the assets are transferred	The two directors of the Company, Ian Milhench and Fiona Milhench have transferred as employees of Tecnospeed Limited . Ian Milhench will be performing commercial/sales tasks and Fiona Milhench will be performing human resources and administrative tasks. Neither are shareholders or directors of Tecnospeed Limited.

Whether i) the directors had given guarantees to a prior financier and ii) whether the prior financier is financing the new business	i) Ian Milhench and Fiona Milhench have provided a personal guarantee to HSBC ii) Neither HSBC nor HSBC IF are financing the new business.
Whether the transaction impacts on more than one related company	The Company is connected to a Vietnamese entity (Milspeed Victory Company Limited) under a nominee agreement with its shareholder. The transaction involves the Vietnamese shareholder and the Purchaser signing a new nominee agreement. The transaction does not involve the interest the Company has in the South Africa or the India entities but does include Company stock held in bonded warehouses in those territories.
Details of the assets involved and the nature of the transaction	The transaction involves an immediate sale of the Company's footwear business and assets located at Bourton on the Water with the exception of raw materials subject to ROT, leased assets and debtors. The transaction excludes the Company's operations at Banbury and assets associated with these entities and any interest it may have in the Indian and South African entity. Please see below for a breakdown of the key assets included in the sale agreement together with their allocated consideration. An LtO has been granted for up to six months from the date of the sale over the Company's leasehold property at Bourton on the Water. The Purchaser will continue to trade from this property, whilst it seeks to reach agreement with the landlord regarding an assignment of the existing lease or granting of a new lease.
The consideration for the transaction, terms of payment, and any condition of the contract that could materially affect the consideration	The consideration for the transaction is £390,000 allocated as follows: Consideration subject to fixed charge: ● Business intellectual property £1; and ● Goodwill £1 Consideration subject to floating charge: ● the Books and Records £1; ● Customer Contracts: £1 ● Customer List £1; ● Equipment £284,850; ● Information Technology £1; and ● Stock of Finished Goods and Work in Progress £105,144 (based on the transaction excluding all raw materials which are subject to a deferred purchase - see below). The allocation between plant and equipment and stock has been based on the valuation carried out by LSH in respect of the floating charge assets. LSH has valued the assets on an in-situ and ex-situ basis. The ex-situ value was provided excluding costs of removal and sale which are estimated at 15-20%. The purchase price allocation reflects the ex-situ valuation with an

	applied notional small discount to the assets to reflect the costs of selling and removal. The only alternate disposal route for the assets would have been on a break-up basis. The consideration for stock reflects c.5% of the UK finished good stocks and Work in Progress or c.2.5% of the overall stock in both the UK and Overseas, in line with the estimate of value, and caveated that overseas stocks have not been able to be inspected or verified. The costs of repatriation and realisation are likely to be significant. Given the above, the lack of interest in the business by other parties and extensive negotiation over total consideration with the Purchaser, the assets which had not been valued (which were intangible in nature) were attributed minimal value. The consideration for the pre-packaged sale was settled in full on completion. Aside from the business and assets in relation to the Banbury site which consists mainly of the cash extrusion line, other assets excluded from the pre-packaged sale includes book debts, cash at bank and footwear raw materials (please see below).
Any options, buy-back arrangements, deferred consideration or similar conditions attached to the transaction	There is no deferred consideration. However, the Purchaser has undertaken to purchase raw materials specific to the footwear business at 40% of net book value subject to ROT claims being resolved by the Administrators. This consideration will be payable post completion of the sale and during the course of the administration.
If the sale is part of a wider transaction, a description of the other aspects of the transaction.	The sale is not part of a wider transaction.
Connected party transactions	Not applicable the Purchaser is not a connected party.
The sale and the purpose of the administration	Following their appointment, administrators must perform their functions with the objective of achieving the statutory purpose of the administration. The statutory purpose of administration is to achieve one of these objectives:- (a) rescuing the Company as a going concern, or if that is not possible or if (b) would achieve a better result for the creditors than (a) (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 finally, if that is not possible

	(c) realising the Company's assets to pay a dividend to secured or preferential creditors. In general, administrators must perform their functions in the interests of the creditors of the company as a whole. In this case, the Administrators are pursuing objective (b) as it was not possible to rescue the Company as a going concern. The Administrators confirm that the sale enables the statutory purpose to be achieved. The Administrators also confirm that the outcome was the best available for creditors as a whole in all the circumstances.

Appendix D:Estimated financial position including creditors' details

As the directors have not yet given us a statement of affairs for the Company we set out below the estimated financial position of the Company as at 11 January 2024:

ML2024 Limited (formerly Milspeed Limited) - in Administration
Estimated financial position as at 11 January 2024

Assets specifically pledged	**Notes**	**Book Value October 2023**	**Estimated to realise**
Fixed charge assets - charged to HSBC IF		**£000**	**£000**
Invoice discounting			
Trade debtors		658	329
Intercompany debtors		1,258	-
Less: Collection fees			(16)
Less: HSBC invoice finance		(314)	(286)
Surplus/(deficit) on invoice discounting		**1,602**	**27**
Fixed charge assets charged to HSBC			
Surplus on invoice discounting		-	27
Goodwill	1	-	-
Intellectual property	1	-	-
Investments in subsidiaries	1	28	-
Contracts	1	-	-
Customer lists	1	-	-
Information technology	1	-	-
Less: Amount due to HSBC		(4,017)	(3,797)
Surplus/(deficit) from fixed charge assets		**(3,989)**	**(3,770)**
Assets subject to finance			
Plant and Machinery - Rotojet		-	30
Less: Close Brothers Finance		(92)	(92)
Less: Realisation costs and other charges		-	(3)
Surplus/(deficit) from Rotojet		**(92)**	**(65)**
Shredder		-	14
Less: HSBC finance		(14)	(14)
Less: Realisation costs and other charges		-	-
Surplus/(deficit) from Shredder		**(14)**	**-**
Assets not specifically pledged			
Floating charge assets			
Plant & Machinery / Equipment:		575	-
Plant & Machinery / Equipment at Bourton		-	285
Plant & Machinery / Equipment at Banbury		-	TBC
Net Plant & Machinery / Equipment realisations		**575**	**285**
Finished stock and Work in progress		4,652	105
Raw material stock UK			10
Leasehold properties/improvements		83	-

Prepayments	175	-
Cash	-	-
Staff loan	-	3
Surplus from trade debtors	1,602	-
Floating charge realisations	**6,512**	**118**
Estimated total surplus /(deficit) available for preferential creditors	**7,088**	**403**
Ordinary preferential creditors		
Employee claims		(2)
Secondary preferential creditors		
HMRC		(186)
Available to prescribed part		**215**
Less: Estimated prescribed part where applicable		(46)
Estimated total assets available to floating charge holder		**169**
Less: balance due to HSBC under floating charge		(3,770)
Shortfall from Invoice Discounting		-
Surplus/(deficit) as regards the floating charge		**(3,601)**
Unsecured creditors		
Employee claims		(231)
Trade creditors		(1,919)
Provision for claims		(1,300)
Intercompany creditors		-
HSBC shredder balance on finance		-
Close Brothers balance on finance		(65)
Total unsecured creditors		**(3,515)**
Estimated deficiency to floating and unsecured creditors		**(7,116)**
Called up share capital		(3)
Total deficiency to shareholders		**(7,119)**

Notes to the Estimated Financial Position

- In line with the statutory format of a statement of affairs, our estimate of the financial position does not include any provision for costs of the administration, which are payable from the assets available prior to any distribution to creditors. This means that a proportion of the estimated realisations will be utilised in meeting the costs of realisation, administration and the fees and disbursements of the Administrators. These costs will be provided in our remuneration report when we set out the estimated costs of the administration;
- The estimated financial position shows amounts distributable to the Company's First and Secondary ranking preferential creditors and the Company's Unsecured creditors by virtue of the Prescribed part. However, as these values are shown before costs of the administration are applied (as described above), they do not reflect the actual estimated returns;
- The figures provided in the estimated financial position have not been audited;
- The estimate provided in the Estimated Financial Position for trade debtors is for illustrative purposes and includes certain assumptions about the level recoverable for example that not all book debts will be recoverable depending on the financial circumstances of the debtor;
- No estimated to realise value has been attributed to the plant and machinery/ equipment at the Banbury site so as not to prejudice negotiations regarding value for the eventual sale of this plant and machinery/equipment;
- The intercompany debtors will be collected by HSBC IF directly. We are unable to estimate the recoverable amount in respect of these intercompany debts at this time;
- We understand any surplus on the recovery of book debts following the repayment of HSBC IF's indebtedness in full will be subject to a fixed charge for the benefit of HSBC under a contract monies assignment;
- Goodwill, Intellectual Property, Contracts, Customer Lists and IT show a nil estimated to realise value, however this is due to the presentation of the estimated financial position being presented in £000's. These assets were each sold as part of the pre-packaged sale to the Purchaser for £1;
- Raw material stock may be subject to ROT claims;

- Book values for assets are based on management accounts as at 31 October 2023, being the most up to date financial information available to the Administrators on appointment and therefore may not reflect the most up to date position.
- The Purchaser has expressed an interest in purchasing the Shredder machine and will liaise with the finance provider directly regarding the purchase of this asset and settlement of any outstanding finance. Based on our estimates we do not think there will be any surplus equity available for the benefit of the administration estate;
- The estimated to realise value for the fixed assets at Banbury is an illustrative value and actual value will be determined by market testing;
- The amount owed to HSBC under its security is made up as follows:

CBILS loan	895
Import loan	1,920
Net overdraft	982
Total	**3,797**

- Ordinary preferential creditors are estimated to be c.£2k based on what we know currently and relate to outstanding holiday pay, owing to certain employees who work at the Banbury site (and therefore did not TUPE to the Purchaser as part of the pre-packaged sale). The value of Ordinary preferential creditors is still being verified;
- The amount estimated to be owed to HMRC as Secondary preferential creditor is based on information provided by the Company on 3 January 2024. The value provided therefore may not reflect the actual value due to HMRC under their Secondary preferential claim; and
- The value of £3.7m showing as owed to Unsecured creditors of the Company is based on a creditors listing received from the Company on appointment. The true value of Unsecured creditor claims will not be ascertained until claims are actually received from Unsecured creditors.
- The value of trade creditors of £1,919m in the estimated financial position is based on the appended creditors listing with the amounts in € and $ converted to GBP in the estimated financial position number.

Unsecured creditors

Name	PO Box	Address 1	Address 2	Address 3	Address 4	Address 5	Currency	Value
Advance Tapes International Ltd		Westmoreland Avenue	Thurmaston	Leicester	LE4 8PH		GBP	46,925.03
Arthur J Gallagher		Goodridge Court	Goodridge Avenue	Gloucester	Glos	GL2 5EN	GBP	14,837.47
Arto Chemicals Ltd		Arto House	London Road	Blinfield	Bracknell, Berkshire	RG42 4BU	GBP	35,667.76
Associated Pallets Ltd		Eling Wharf	Totton	Southampton	Hants	SO40 4TE	GBP	1,260.00
PT Aviva Insurance	PO Box 3471	Norwich	NR1 3FZ				GBP	12,748.13
Barclays Partner Finance	PO Box 2501	Cardiff	CF23 0FP				GBP	850.60
Beardow & Adams (Adhesives)		32 Blundells Road	Bradville	Milton Keynes	MK13 7HF		EUR	391,233.46
Begg & Co Thermoplastics Ltd		71 Hailey Road	Erith	DA18 4AW			GBP	52,515.90
Biffa Polymers		Wes Building	Wilton International	Redcar	TS10 4RG		GBP	31,844.64
Biffa Waste Services Ltd		Coronation Road	Cressex	High Wycombe	Bucks		GBP	1,581.60
Bravo Benefits Ltd	4 Ladybank	Tamworth	Staffordshire	B79 7NB			GBP	130.70
Broadway Colours		Beccles	Upper Holten	Nr Halesworth	IP19 8NQ		GBP	3,330.00
BS Cleaning Services	4 Hercules Close	Upper Rissington	Gloucestershire		GL54 2QL		GBP	0.00
Butlin Fork Trucks		Unit 5 Bourne End	Kineton Road Ind Est	Southam	Warks	CV47 0NA	GBP	4,027.26
Castle Lifting Gear Ltd		Portersfield Road	Cradley Heath	Warley	West Midlands	B64 7BE	GBP	352.80
Castle Water - Bourton		Craighall Castle	Blairgowrie	PH10 7JB			GBP	-27.65
Castle Water Ltd - Banbury		Craighall Castle	Rattray	Blairgowrie	PH10 7JB		GBP	18.60
Cherwell District Council	PO Box 27	Revenues Dept	Banbury	Oxon	OX15 4BH		GBP	43,545.00
Coface Uk Services Ltd		Egale 1	80 ST Albans Road	Watford	Herts	WD17 1RP	GBP	46,669.15
Colas y Adhesivos		Colas y Adhesivos Obrador SAU	Ctra de Agost km 1.5	03690 San Vicente del Raspeig	Alicante		EUR	41,705.00
Cotswold District Council	PO Box 9, Council offices	Trinity Road	Cirencester	Gloucestershire	GL7 1PY		GBP	14,634.00
Cotswold Carriers		Warehouse No 2	The Walk, Hook Norton Road	Chipping Norton	Oxon	OX7 5TG	GBP	4,812.00
DHL International (UK) Ltd	PO Box 192	Feltham	Middlesex	TW14 0BY			GBP	285.47
Direct Hygiene/365 Ltd		Windgate House	Windgate	Tarleton	Lancashire	PR4 6JF	GBP	112.68
Dow Chemical Company Ltd		Station Road	Birch Vale	High Peak	Derbyshire	SK22 1BR	EUR	164,049.60
Dupont Luxembourg		Rue du General Patton	Conterm	L 2984 Luxembourg			EUR	86,788.80
EDF Banbury	PO Box 62	Plymouth	PL3 5YS				GBP	141,331.97
E D F Bourton	PO Box 62	Plymouth	PL3 5YS				GBP	48,422.52
Enviro Tech		c/o Garners	100a High Street	Hampton	Middlesex	TW12 2ST	GBP	664.56
European Business Develpment (Matthew)		22 Hamilton Street	Hoole	Chester	Cheshire	CH2 3JQ	GBP	75,256.42
FedEx Express Europe Inc	PO Box 119	Coventry	CV1 4DQ				GBP	1,141.35
FloGas		Apley Works	Burford Road	Wirney, Oxford	Oxon	OX29 0DN	GBP	375.57
Goaden Chemical Industry Co (Honmei)		Fo Shan City	Nanhai Area, Pinzhou Industry Park	Guangdong			USD	586.41
Grand Soaring Skye Universe (Goaden)		27-D8, 27F Building 20	Huang Yuyuan	Futian South Road	Futian District	China	USD	183,177.25
Greyland Plastics Limited		Laurels Road	Offenham	Evesham	Worcestershire	WR11 5RE	GBP	7,426.72
Grunden Waste Management	PO Box 132, Goulds Grove	Ewelme	Wallingford	Oxfordshire	OX 10 6BY		GBP	3,098.13
PT Gudang Jaya Sentosa (Hengky Yaury)		Komplek Pergudangan Kosambi Permai	Jl Raya Perancis Blok LL 17/18	Kosambi	Tangerang		USD	2,816.60
John Hackling (Transport) Ltd		Hackling House	Industrial Park	BOURTON-on-the-WATER	Gloucestershire	GL54 2EP	GBP	777.90
Hamilton Polymers Company		3040 78th Avenue SE 1445	Mercer Island	WA 98040	USA		USD	80,393.70
Hangzhou Kaiyue New Shoes Material Co Ltd		Yangcheng Road	Fengdu Industrial Park	Yuhang District	Hangzhou City		USD	76,926.96
IDFL Europe AG	Zurcherstrasse 282	CH-8500	Frauenfeld				EUR	30.00
Import Export Hurt Spedycja jj		Harcerska 11	43-400 Cieszyn	Poland			EUR	28,109.83

J & J Air Systems		Hillbottom Road	Sands Industrial Estate	High Wycombe	Bucks	HP12 4HJ	GBP	915.71
John Hackling (Holdings) Ltd		Hackling House	Bourton Industrial Park	Bourton on the Water	GL54 2HQ		GBP	31,060.00
Lightening Packaging Supplies		Frobisher Way	Hatfield Business Park	Hatfield	Hertfordshire	AL10 9TY	GBP	804.62
Linx Printing Technologies Ltd	Burrel Road	St Ives	Cambridgeshire	PE27 3LA			GBP	394.00
Lyndon Copiers Ltd		Unit 1 Stammerham Business Centre	Capel Road	Horsham	RH12 4PZ	UK	GBP	336.00
Mitsubishi Polyester Film GmbH		Postfach 3365	D-65203 Wiesbaden	Germany			EUR	52,167.06
Nam |Kwong Logistics Co Ltd		Avenida do Dr Rodrigo Rodrigues	Nam Kwong Building	4/F	Macau		USD	14,467.82
Onnysynex Ventures PVT Ltd		Plot 23, Nsez, Noida Phase II	Gautam Budh Nagar (UP)	India			USD	7,746.95
Operational (UK) Ltd		G41 The Innovation Centre	Sci-Tech Daresbury	Keckwick Lane	Daresbury		GBP	210.00
Orlandi SpA		Via Visconti di Modrone 18	Milano	20122			EUR	47,441.92
Phoenix Foil Ltd		Unit 4, Elms Farm Comm Units	Atherstone Road	Appleby Magna	Derbyshire	DE12 7AP	GBP	2,992.80
Plastribution Ltd	PO Box 7743	Ashby de la Zouch	LE65 1XY				GBP	81,535.20
Practice Supplies Ltd		Hertford Way	York Road Business Park	Malton	North Yorkshire	YO17 6YG	GBP	1,679.67
Rapid Colour Services Ltd		Moss Industrial Estate	Leigh	Lancashire	WN7 3PT		GBP	6,063.44
RB Trading sro		Feriencikova 18	81108 Bratislava	Slovakia			EUR	34,402.10
Recovery Rollers - Moonsys Technology Ltd		Unit 11 Western Industrial Estate	Ponthir Road	Caerleon	NP18 3NN		GBP	7,475.19
Reedbut Group		North House 3	Bond Avenue	Bletchley, Milton Keynes	Bucks	MK11 1JJ	GBP	760.32
Regis Machinery (Sales) LtdGF(GBP)		Metro House	Northgate	Chichester	West Sussex	PO19 1BE	GBP	2,255.26
Rhenus Logistics Ltd		Unit 1	Gallan Park	Watling Street	WS11 0XG		GBP	13,157.00
Rock Power Connections Ltd		Unit 5	Buckholt Business Centre	Buckholt Drive	Worcester	WR4 9ND	GBP	14,472.00
Safram France SAS	176 Rue des Chardonnerets	FR – 95926 Roissy CDG Cedex					EUR	145.12
Satra Technology Centre		Wyndham Way	Telford way	Kettering	Northamptonshire	NN16 8SD	GBP	4,803.30
Screwfix (Trade UK)		Unit 1	Bourton Ind Park	Cheltenham	Glos	GL54 2SB	GBP	-64.39
Self Adhesive Supplies (Amari)		7 - 9 The Portman Centre	Loverock Road	Reading	Berks	RG30 1DZ	GBP	2,351.33
SMS Energy Services Ltd		Prennau House	Copse Walk	Cardiff Gate Business Park	Cardiff	CF23 8XH	GBP	921.60
Sortology		7 Friarswood Close	Yarm	Cleveland	TS15 9JG		GBP	5,000.00
South American Agency Ltd		Baker House Suite 3	4A Rodway Road	Bromley	Kent	BR1 3JL	GBP	3,558.39
Space Contained Ltd		Units 1-4	Fosse Cross Ind Estate	Cirencester	Glos	GL54 4NW	GBP	11,101.80
Spectrum Innovations		Mersey Street	Stockport	Cheshire	SK1 2HX		GBP	307.20
Swemko UK Ltd		29 Bonville Rd	Brislington	Bristol	BS4 5HQ		GBP	-431.49
System Force IT		Unit C1 Brearly Place	Baird Road, Waterwells Business Park	Quedgeley, Gloucester	Glos	GL2 2AF	GBP	-59.39
Thameside Fire Protection Co Ltd	Unit 14 Sovereign Park	Cranes Farm Road	Basildon	Essex	SS14 3JD		GBP	1,070.40
Thermo Fisher Scientific Messtechnik GmbH		Frauenauracher Strasse 96	D- 91056 Erlangen				EUR	22,046.00
Toray Films Europe		Siret 502	RCS Bourg en Bresse	France			EUR	28,306.43
TotalEnergies Gas & Power (Gas Banbury)		Bridge Gate	55-57 Hihg Street	Redhill	Surrey	RH1 1RXL	GBP	972.95
Technical Textile Services Ltd		Unit 5	Longden Road	Manchester	M12 5SR		GBP	51,865.20
T W E Haulage Ltd		Unit 8 , Clearway House Ind Estate	Overthorpe Road	Banbury	Oxon	OX16 4US	GBP	1,130.11
Velta International Ltd		Commodity House	Great Braxted	Essex	CM8 3EW		GBP	15,851.00
Vision IFP		Vision House	Unit 6A Falmouth Business park	Birkland Water Rd	Falmouth Cornwall	TR11 4SZ	GBP	0.00
Vodafone		Vodafone House	The Connection	Newbury	Berks	RG14 2FN	GBP	-1,457.37
VRDC - Tan Phat Tai Co Ltd		18A Dong Khoi St, Thien Tan Commune	Vinh Cuu District, Dong Nai Province				USD	3,603.60
Watson Petroleum	Brinkworth	Chippenham	Wilts	SN15 5DN			GBP	2,611.74
Willans LLP		28 Imperial Square	Cheltenham	Glos	GL50 1RH		GBP	-1,884.00
Woodland Generators		Vale Buisiness Park	Evesham	Worcs	WR11 1GP		GBP	2,679.42

Wellbeing Service Group		Severn House	Bromyard Road	Crown East	Worcester	WR2 5TR	GBP	896.88
Total								**2,126,096.78**

Secured fixed and floating charge	Address 1	Address 2	Address 3	Charge details	Currency	Value of the security
HSBC UK Bank Plc, HSBC Bank Plc	1 Centenary Square	Birmingham	B1 1HQ	Fixed and floating charge debentures dated 5 July 2007 and 4 May 2023.	GBP	£3,797,149.00
HSBC Invoice Finance (UK) Limited	1 Centenary Square	Birmingham	B1 1HQ	Fixed and floating charge debenture over the book debts (including intercompany) dated 5 July 2022.	GBP	286,000.00
Total						**£4,083,149.00**

Asset finance creditors	Address 1	Address 2	Address 3	Currency	Value
Close Brothers Asset Finance	10 Crown Place	London	EC2A 4FT	GBP	65,000.00
Total					**65,000.00**

Number of employees: 13	Currency	Value
Unsecured claim	GBP	230,566.50
Preferential claim	GBP	1,607.82
Total		**232,174.32**

Total creditors	**6,506,420.10**