

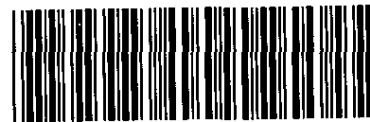
AM03

Notice of administrator's proposals



Companies House

SATURDAY



A13 *A8CJVVHU* #79
24/08/2019
COMPANIES HOUSE

1 Company details

Company number 0 3 6 5 0 4 4 9

Company name in full Bentall Rowlands Storage Systems Limited

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

2 Administrator's name

Full forename(s) Sarah

Surname O'Toole

3 Administrator's address

Building name/number 4 Hardman Square

Street Spinningfields

Post town Manchester

County/Region

Postcode M 3 3 E B

Country

4 Administrator's name

Full forename(s) Jason

Surname Bell

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

5 Administrator's address

Building name/number 4 Hardman Square

Street Spinningfields

Post town Manchester

County/Region

Postcode M 3 3 E B

Country

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

AM03

Notice of Administrator's Proposals

6 Statement of proposals



I attach a copy of the statement of proposals

7 Sign and date

Administrator's
Signature

Signature

X

K. S. (Signature)

X

Signature date

d 2 d 2

m 0 m 8

y 2 y 0 y 1 y 9

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	Edward O Brown
Company name	Grant Thornton UK LLP
Address	4 Hardman Square Spinningfields
Post town	Manchester
County/Region	
Postcode	M 3 3 E B
Country	
DX	
Telephone	0161 953 6900



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

To the Creditors

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

22 August 2019

Dear Sir / Madam

Bentall Rowlands Storage Systems Limited - In Administration (the Company)
High Court of Justice, Business and Property Court in Manchester
No CR-2019-MAN-000774

1 Introduction

- 1.1 I was appointed Joint Administrator of the above Company with Jason Bell by the directors on 15 August 2019. We are authorised to act as an insolvency practitioners by the Insolvency Practitioners Association. We are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.
- 1.2 Following on from our appointment we are submitting our proposals pursuant to paragraph 49(1) of Schedule B1 to the Insolvency Act 1986 for achieving the objectives of the Administration.
- 1.3 This report contains the information required by rule 3.35 of the Insolvency (England and Wales) Rules 2016.
- 1.4 In accordance with paragraph 100(2) Schedule B1 to the Insolvency Act 1986, the functions of the Administrators are to be exercised by any or all of them.

2 Statutory information

- 2.1 The Company's statutory details are as follows:

Registered number	03650449
Date of incorporation	15/10/1998
Authorised share capital	50,000
Issued share capital	50,000

Directors

Paul William Kirkman

Shareholding

Nil

Alnoor Jamal

Nil

Secretary

Shareholding

Paul William Kirkman

Nil

- 2.2 The Administration constitutes "main proceedings" under the EU Regulation on Insolvency Proceedings (article 3(1)) as the Company's registered office is and always has been in England and its management and principal trading activities are conducted in the United Kingdom.

3 Background to Administrators' appointment

- 3.1 We were engaged by the Company on 19 December 2018.
- 3.2 The background to the Administrators' appointment and a detailed explanation of the subsequent sale of the Company's business and assets is contained in a letter issued to creditors on 22 August 2019. A copy of this letter appears at Appendix A.
- 3.3 The objective of an Administration is to rescue the company as a going concern or to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, or, if neither of these is reasonably practicable, to realise property in order to make a distribution to one or more secured or preferential creditors.

4 Assets and liabilities

- 4.1 The directors have been requested to prepare a statement of affairs of the Company but have not yet done so due to time constraints. An estimate of the financial position of the Company is attached at Appendix B, together with a list of the names and addresses of the creditors, the amount of their debts and details of any security held.
- 4.2 Appendix B includes details of the prescribed part of the Company's net property under section 176A of the Insolvency Act 1986, being the amount available for the satisfaction of unsecured liabilities.
- 4.3 The net property is estimated to be £505,000 and the prescribed part £104,000 before costs of the Administration.

5 Conduct of the Administration

- 5.1 In this Administration, the rescue of the Company as a going concern is not an appropriate strategy as no offers were received for the shares in the Company during the pre-appointment sale process.
- 5.2 We concluded that the best way of achieving the objective of the Administration was to implement the sale of the Company's business and assets as described in the letter at Appendix A.
- 5.3 The sale of the business and assets to Bentall Rowlands Silo Storage Limited comprised:
- Business Records: £1
 - Debtors: £250,000
 - Contracts: £1
 - Goodwill: £1
 - Intellectual Property: £1
 - Motor Vehicle and Plant and Machinery: £149,996
 - Stock: £50,000

- 5.4 The sale did not include any assets subject to HSBC Equipment Finance (UK) Limited.
- 5.5 Our receipts and payments account covering the period 15 August 2019 to 22 August 2019 is attached at Appendix C.

6 Proposals for achieving the objective of the Administration

- 6.1 The Administrators will continue to pursue the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
- 6.2 This objective was achieved by the Administrators realising the assets as detailed above and through the continuing work to realise any further assets.
- 6.3 If required, the Administrators will continue the Company's defence to any proceedings brought against the Company, as far as they believe appropriate, mindful of the need to balance the costs of continuing the defence, as against the potential detriment to creditors of abandoning the defence.
- 6.4 Any distribution to unsecured creditors will be via a prescribed part only. As such it is proposed that the Administrator will agree the claims of the creditors and distribute these funds in the course of the Administration.
- 6.5 The Administration may require an extension beyond the initial period of one year for this purpose. When all funds have been realised and distributed, the Administration will end by the Administrators filing a notice to dissolve the Company.
- 6.6 The Administrators will nevertheless be empowered to present a petition for the winding up of the Company if circumstances require.

7 Administrators' remuneration and disbursements

- 7.1 The basis of the Administrators' remuneration is to be fixed by the creditors. If a creditors committee is appointed, then this is a matter for the committee.
- 7.2 If no committee is appointed, then as we are of the opinion that the Company has insufficient property to enable any distribution to be made to unsecured creditors other than by virtue of section 176A of the Insolvency Act 1986, approval will be obtained from the secured and preferential creditors.
- 7.3 Pre-Administration costs unpaid at the date of appointment of the Administrators may also be approved as above under rule 3.52 to rank as an expense of the Administration. Approval of the statement of proposals does not constitute approval either of the Administrators' remuneration or of unpaid pre-Administration costs.
- 7.4 Please see Appendix D for details of our remuneration, expenses and payments made to associates in accordance with Statement of Insolvency Practice 9, which includes details of our proposed fee basis.

8 Decision of creditors

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

9 Data Protection

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

Yours faithfully

for and on behalf of Bentall Rowlands Storage Systems Limited



Sarah O'Toole

Joint Administrator

Sarah O'Toole and Jason Bell were appointed Joint Administrators of the above Company by the directors on 15 August 2019. We are authorised to act as an insolvency practitioners by the Insolvency Practitioners Association and act without personal liability.



Bentall Rowlands Storage Systems Limited (the Company)

**Report to creditors required under
Statement of Insolvency Practice 16**

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

Prepared by: Sarah O'Toole, Joint Administrator

Contact details: Should you wish to discuss any matters in
this report, please do not hesitate to
contact Stephanie Baker on 0161 214
6376

Definitions

The following definitions are used within the body of this report, the appendices, or both

AMA	Accelerated Mergers and Acquisitions
BRSS or the Company	Bentall Rowlands Storage Systems Limited
The Bank	HSBC UK Bank plc
FY12 to FY18	Financial Years ending 30 September 2012 to 30 September 2018
Grant Thornton	Grant Thornton UK LLP
HEF	HSBC Equipment Finance (UK) Limited
LHCL	Leyland Holding Company Limited
NDA	Non-disclosure agreement

1 Executive summary

- Sarah O'Toole and Jason Bell of Grant Thornton were appointed as Joint Administrators of the Company on 15 August 2019.
- Upon appointment, we sold the trade and assets of the Company to Bentall Rowlands Silo Storage Limited.
- The transaction was entered into in pursuit of 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, being a statutory purpose of administration.
- We are of the opinion that the outcome achieved was the best available outcome, that could be reasonably obtained, for creditors as a whole in the circumstances and the transaction enables the Joint Administrators to achieve the purpose above.
- Any return to unsecured creditors will be by a prescribed part distribution only and is estimated at 5p in the £ before costs of the administration.



Sarah O'Toole
Joint Administrator

22 August 2019

2 Initial introduction

This section provides detail of how Grant Thornton was introduced to the Company and our prior involvement.

2.1 Initial introduction

Grant Thornton was introduced to the Company by the Bank in December 2018 and was engaged by both parties on 19 December 2018 to assess the Company's short term cash flow forecasts and the options available to the Company and Bank. The Bank is the Company's lender providing an overdraft facility and performance bonds. The fees charged for this engagement were £18,000 plus VAT and disbursements.

2.2 Prior involvement with the Company

Following our previous engagement, the Company had sought additional funding support from LHCL (being the immediate parent company) and from its main customer. However, the funding was insufficient to meet ongoing working capital requirements and the Company contacted Grant Thornton for support in understanding available options.

Grant Thornton met with the Company on 24 June 2019 and as a result of an imminent threat of creditor action, the Company directors filed a *Notice of Intention to appoint administrators (NOI)* on 24 June 2019.

Grant Thornton was engaged on 25 June 2019 to:

- support the Company in respect of insolvency planning;
- assist management to prepare for the administration of the Company; and
- assist management in marketing the business and assets to explore whether a "pre-packaged sale" of the business and assets could be achieved.

Our time costs from 25 June 2019 to appointment total £77,092 and we will be seeking approval for these amounts to be paid from the administration estate, subject to the approval of creditors.

3 Pre-appointment considerations

This section provides details of the considerations and the work done by us, as proposed administrators, prior to our appointment in order to determine that a pre-packaged sale of the business and assets was the optimal strategy in maximising the return for creditors.

3.1 Nature of the Company's business

BRSS specialised in the design, manufacture and installation of galvanised steel silos. It operated from facilities in Scunthorpe owned by LHCL and employed approximately 30 members of staff.

3.2 Causes of the Company's distress

The business grew through the provision of silos to the African market and achieved year on year growth with its peak performance in FY12 (operating profit of £740,000). In FY13 the sales director passed away, resulting in a reduction in the sales pipeline and trading performance deteriorated in the period to FY16 (operating profit of £72,000).

In September 2016, BRSS invested in a sales team of five based in Madrid to sell into the European market. The Company's activity moved to larger, more complex projects with its customer base being predominantly large, European engineering companies.

In order to fulfil the larger projects, the Company invested in new machinery to deliver better efficiencies in its projects and to enable it to be more competitive. It commissioned a new rolling line for delivery in September 2017.

Whilst turnover improved from £4.5 million in FY16 to £7.3 million in FY17 (due to the investment in the Madrid based sales team) the rolling line which was commissioned in FY17 could not be financed until delivery in the UK (which was delayed by six months) and was therefore funded from cash reserves.

This eroded the cash position and resulted in further deterioration of trading performance due to the associated capital expenditure costs, which resulted in operating profit of £65,000 in FY17.

Further operational delays in utilising the rolling line meant that the Company was unable to recover additional costs when alternative machining was utilised.

The Company also experienced significant working capital issues during FY18, primarily in respect of two large contracts. These contracts were more complex and absorbed additional working capital than the Company had anticipated. Both contracts experienced significant delays and disputes which created additional cash pressures in completing the contracts. This resulted in an operating loss in FY18 of £849,000.

As a result, the Company was unable to meet its debts as they fell due and creditor pressure significantly increased. The level of creditor pressure continued to mount with a winding up petition being issued in April 2019, which was settled by LHCL.

Given the imminent threat of creditor action, the directors filed an NOI on 24 June 2019.

3.3 Actions taken by the Company

The Company obtained additional funding support from LHCL and its main customer, however, this was utilised in undertaking the specific customer contract and therefore did not alleviate overall working capital pressure within the business.

As detailed above, given the threat of imminent creditor action, Grant Thornton was immediately engaged to undertake an AMA of either the share capital or the trade and assets of the Company.

3.4 Alternative courses of action considered by the proposed administrators

At the conclusion of the AMA we considered all options for the Company. We reviewed the AMA process which had been undertaken and considered that it was sufficiently comprehensive. Given the AMA process, we had established that a solvent solution to the funding issues was not possible as:

- no offers were received for the business on a solvent basis
- additional finance could not be obtained to restore cashflow solvency.

An offer for the business and assets was received on 16 July 2019.

It was determined that prolonged trading in an administration, whilst running a further sales process, was not in the interests of creditors as:

- the AMA marketed the Company extensively to both distressed investors and trade buyers and therefore the transaction accepted was considered to be fair market value and provided the best return to creditors
- it was considered that a sales process within the administration was unlikely to provide a materially better offer or higher return to creditors
- the Company could not continue to trade without access to ongoing finance.

In the absence of a sale being achieved, the proposed administrators considered the feasibility in conducting a limited period of production in order to manufacture bin sheets over a four to six week period for the main customer. The anticipated profit would be utilised for the benefit of creditors as an asset realisation.

Therefore we considered the viable options, being:

- the likely return to creditors resulting from the transaction compared to;
- the alternative of a cessation of trade (with or without a period of production) followed by a piecemeal disposal of the floating charge assets.

Based on the financial analysis performed, the return to creditors from the transaction was considered to be the best outcome for the creditors.

3.5 Requests for funding the administration, and the decision of whether to trade

Financial analysis was undertaken by us prior to the appointment. It was determined that continuing to trade would be to the detriment of the creditors as a whole due to the level of anticipated trading losses that would be incurred. Therefore, no funding request was made to any lender.

3.6 Consultation with major creditors and key stakeholders

We consulted with the following stakeholders:

- The Bank, as principal secured creditor
- The board of directors of the Company
- LCHL shareholders

Note that details of registered charges are provided with Appendix A.

3.7 Previous connected insolvencies

It has been confirmed by the directors that the business/assets have not been acquired from an insolvency process in the last 24 months.

4 Marketing of the business and assets

4.1 Approach to interested parties

During the AMA process, we identified in excess of 100 potential interested parties through the following:

- Our existing database of distressed investors
- Parties identified by the directors
- Research database of the industry

We commenced an initial process of engaging with these parties through a teaser document which was sent out on 1 July 2019.

4.2 Marketing strategy

The marketing strategy was determined with regard to the following:

- Short timescales meant that only a limited number of parties could be effectively involved
- Confidentiality was required to protect the value of the assets of the business

The following marketing was undertaken:

- Teaser documents were sent to identified parties and follow-up phone calls were made
- Non-disclosure agreements (NDAs) were provided to those parties who indicated an interest in considering the opportunity
- Access to a data room was provided to those parties who returned a signed NDA which provided financial, operational and other information in respect of the Company
- Interested parties were then offered site visits and management meetings or calls to facilitate their due diligence process
- Indicative offers were invited by close of business on 8 July 2019 for the shares or business and assets of the Company with best and final offers invited by close of business 12 July 2019.

During the AMA process:

- 71 teaser documents were sent to identified and targeted interested parties
- NDAs were signed and returned by seven distressed investors and 13 trade parties
- 3 parties attended site visits and one party attended a conference call
- 1 offer was received as detailed below

Given the accelerated nature of the process and the limited time frame available for interested parties to conduct due diligence, we did not consider it feasible to market the business online. Our marketing strategy identified a targeted pool of potential interested parties.

Given the limited involvement prior to the filing of the NOI on 24 June 2019 and the time constraints in commencing the AMA process, an additional NOI was filed on 8 July 2019 in order to allow the market and AMA process to be fully tested.

4.3 Offers received

The AJ Group of Companies (connected party to LHCL shareholders) offered to acquire the business and floating charge assets of the Company on 16 July 2019, including the debtors, for a cash consideration of £450,000. The offer excludes assets subject to asset finance with HEF. A separate entity, Bentall Rowlands Silo Storage Limited, was incorporated in order to complete the transaction.

In order to allow the sale to progress to completion, additional NOIs were filed on 22 July 2019 and 5 August 2019.

4.4 Decision of the proposed administrators

Given there were no other offers resulting from the AMA process, the offer received from LHCL shareholders was assessed by considering the impact of the creditors and comparison to alternative courses of action.

The proposed administrators were of the opinion that the transaction resulted in the optimal return to creditors. The going concern sale mitigated preferential creditor claims in the administration due to the transfer of employees thereby reducing the overall creditor base.

Accordingly, on 15 August 2019 the Company directors appointed administrators to deliver the above sale. We provide details of the transaction entered into at Section 6.

5 Valuation of the business and assets

5.1 Basis of valuations

We obtained valuations of the assets in order to perform financial analysis to enable us to make a decision as to whether the transaction would be in the best interests of the creditors.

A break-up valuation reflects the value of the assets should the Company cease to trade. This is used to estimate the outcome for creditors should the transaction not occur and the Company proceed into liquidation. This is usually the worst-case position for creditors.

A going concern valuation reflects the value of the assets where a transaction includes a trading business. This is typically of greater value than a break-up basis due to the attributing of value to goodwill and future income streams. A going concern value is used to provide a guide to administrators as to the value of individual assets being sold as part of a wider transaction.

We consider that we obtained fair market value through the marketing process undertaken, as, ultimately, the assets are worth what a party will pay for them in the circumstances, taking into account the distressed nature of the business. We considered the offer received (considered to be fair market value) against the break-up value to ensure that the transaction provided a better position for the creditors.

5.2 Intangible assets

The Company did not recognise intangible assets, such as goodwill, in its financial statements.

Given the Company had been suffering underperformance and trading losses, it has not been possible to obtain a meaningful valuation and we have concluded the goodwill was of nominal value.

5.3 Book debts

The gross book debt ledger, excluding credit balances, as at 7 August 2019 was £1.6 million. The combination of anticipated disputes relating to non-performance and the absence of a warranty in the event of cessation of trade would have made book debt collection extremely challenging.

The largest debtor balance on the ledger totals c€841,000 in respect of an ongoing contract with a customer. This contract had been stalled for 12 months due to additional testing required in order to obtain accreditation certificates on the product design.

It would have been significantly challenging to collect the balance relating to work completed to date as counter claims would be anticipated in respect of breach of contract and the additional rectification work and costs associated with accreditation. Approximately €430,000 of the balance related to advance payments of work which had not yet commenced and therefore deemed irrecoverable.

Of the remaining balance, our analysis indicated that the inability to continue to trade the business in administration would have significantly eroded the value in the ledger. As a result, book debt recoveries would have been materially below the £250,000 secured in the transaction.

5.4 Chattel assets

Jeff Wignall of Wignall Brownlow LLP was engaged by us in order to provide a professional valuation of the Company's tangible assets. Jeff Wignall is a member of the Royal Institute of Chartered Surveyors and has adequate professional indemnity insurance. Wignall Brownlow LLP has confirmed its independence in this matter.

Assets subject to HEF

The market value valuation received relating to the rolling line, plant and machinery and vehicles subject to asset finance totalled c.£598,000. The market value was significantly below the amount outstanding to HEF of £1.2 million and as such, our agent did not consider there to be equity in these assets.

Furthermore, due to the bespoke nature of the rolling line, our agent advised that a marketing period was uncertain and as such, the holding costs associated with the machinery and the cost of retrieving assets from site would likely exceed the benefit to creditors.

As a result, the administrators are not dealing with the assets and HEF has gained control in dealing with them.

Unencumbered assets

The valuation received for a break-up and going concern basis relating to unencumbered plant and machinery was between c£125,000 to £150,000 over an approximate 12 week marketing period.

Disposal costs in realising the assets during the marketing period would have been incurred in respect of employee costs in assisting the administrators, overhead costs (such as rent, rates, utilities, security, insurance) and professional fees.

The valuation in respect of the motor vehicle was £8,000 due to the age of the vehicle on both a break-up and going concern basis, although this would be subject to a full and detailed inspection of the condition and mileage.

As such, the value achieved of £149,996 as part of the sale process was deemed fair value for the unencumbered assets.

Stock

The Company held approximately £116,000 of raw material stock on site. However due to the significant arrears owing to suppliers, the majority of the stock was subject to retention of title. The maximum valuation was c20% of cost which was estimated at £12,000 due to the level of anticipated retention of title claims.

There was approximately 50 tonnes of raw material stock which had been processed or galvanised and as such, our agent advised that the realisable value would be scrap value estimated at £7,500 (£150 per tonne) on a break-up basis.

The value achieved of £50,000 as part of the sale process was deemed fair value and reflected the uplift and premium of the going concern basis.

6 The transaction

6.1 Details of the transaction

Date of transaction	15 August 2019
Identity of purchaser	Bentall Rowlands Silo Storage Limited (company registration 12128889)
Purchaser's connection to the Company's:	
directors	Mutual directorship: None
shareholders	Mutual shareholder representatives: Sheliza Jamal, John Balac
secured creditors	n/a
associates	None
Names of Company directors, former directors, or their associates with an involvement with the purchaser	n/a
Assets sold and consideration:	
Fixed charge	Nil
Floating charge	
Plant and machinery	£149,996
Stock	£50,000
Debtors	£250,000
Business records	£1
Contracts	£1
Goodwill	£1
Intellectual property	£1
Material conditions for consideration	No deferred consideration, options, buy-back agreements or other conditions attached to the consideration
Terms of payment	Immediately on completion
Whether part of a wider overall transaction	No
Directors' guarantees related to the transaction	Nil
Providers of finance to the transaction	None

7 Pre-pack pool

7.1 Connected party transactions

We recommended that the purchaser, being a party connected with the Company, approach the pre-pack pool, a body of independent reviewers of pre-packaged sales of businesses from cases of company administration.

We also requested that the purchaser provide us with a viability review stating how the purchasing entity will survive for at least 12 months from the date of the transaction.

The purchaser did not take either of these steps. We decided to proceed for the reasons set out in Section 4 of this report, in particular that we considered that the sale would achieve a better result than would have been achieved by not proceeding.

8 Other information for creditors

8.1 Future correspondence

All future creditors' reports will be shared through the creditors' portal which can be found at grantthornton.co.uk/portal

The unique passwords are being notified to creditors separately. (Any creditor that does not have a unique creditor's password should contact Edward Brown of this office by email at CMU@uk.gt.com).

The officers of the Company are required to furnish us with a statement of affairs as required by the Insolvency Act 1986, and we shall shortly be uploading our statement of proposals for the administration which will incorporate a summary of the directors' statement of affairs, or an estimated summary of the financial position.

Within the proposals, further details of the administration will be provided in addition to information about our fees.

Creditors can find a guide to their rights in an administration at https://www.r3.org.uk/media/documents/publications/professional/Creditors_Administration.pdf

A creditor has a right to opt out of receiving further documents about the proceedings (with some exceptions). Further information is provided in Appendix B.

8.2 Making a claim in the administration

Creditors can log onto the portal to submit their claim directly. Alternatively, a proof of debt form can be provided and submitted manually.

8.3 Bad debt relief

Creditors registered for VAT may be able to claim VAT bad debt relief in accordance with section 36 of the Value Added Tax Act 1994. In broad terms relief is available when the debt is six months old and "written off" by the creditor entering it on his VAT refunds-for-bad-debts-account. Insolvency practitioners have no role in administering VAT bad debt relief. Creditors who are uncertain how to claim should contact their VAT office or take professional advice.

8.4 Retention of title claims

If you contend that you have any form of security or reservation of title in respect of goods supplied, please contact us immediately, in writing, with full details of your claim. We would advise you that, pursuant to paragraph 43 of Schedule B1 to the Insolvency Act 1986, you will not be able to enforce any security or reservation of title claim without our consent or the permission of the court.

8.5 Investigations into the Company's affairs

We shall be pleased to receive, from any creditor, any useful information concerning the Company, its dealings or conduct, which may assist us in any investigations into the Company's affairs.

8.6 Contact from third parties

Please be aware fraudsters have been known to masquerade as the legitimate Joint Administrator. The fraudster will contact creditors asking for an upfront fee or tax. An administrator would never ask for such a payment nor instruct a third party to make such a request.

8.7 Data Protection

Any personal information held by the company will continue to be processed for the purposes of the administration of the company and in accordance with the requirements of data protection law.

A Statutory information

Company information

Company name	Bentall Rowlands Storage System Limited
Date of incorporation	15/10/1998
Company registration number	03650449
Present registered office	Grant Thornton UK LLP 4 Hardman Square Spinningfields Manchester M3 3EB
Registered charges	Chargeholder: HSBC UK Bank plc Creation date: 16/05/2018 and 14/03/2018 Nature of security: Fixed and floating charge debenture

Administration information

Administration appointment	The administration appointment in the High Court of Justice Business and Property Courts in Manchester Court case number CR-2019-MAN-000774
Appointor	The Directors of the Company
Date of appointment	15 August 2019
Joint Administrator names	Sarah O'Toole Jason Bell
Joint Administrator address(es)	Grant Thornton UK LLP 4 Hardman Square Spinningfields Manchester M3 3EB
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them.
Current administration expiry date	14 August 2020

B Opting out of creditor notices

Entitlement of creditors to opt out of receiving further documents relating to the administration

Administrators Sarah O'Toole and Jason Bell

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

Email address for contact CMU@uk.gt.com

A creditor has the right to elect to opt out of receiving further documents about the proceedings unless:

- 1 the Insolvency Act 1986 requires a document to be delivered to all creditors without expressly excluding opted-out creditors
- 2 it is a notice relating to a change in the office holder or the office-holder's contact details
- 3 it is a notice of a dividend or proposed dividend or a notice which the court orders to be sent to all creditors, or to all creditors of a particular category to which the creditor belongs.

Opting out will not affect the creditor's entitlement to receive dividends should any be paid to creditors. *Unless the Insolvency (England and Wales) Rules 2016 provide to the contrary, opting out will not affect any right the creditor may have to vote in a decision procedure or to participate in a deemed consent procedure in the proceedings although the creditor will not receive notice of it.*

A creditor who opts out will be treated as having opted out in respect of any consecutive insolvency proceedings of a different kind in respect of the company.

In order to opt out please contact us in writing (by post or by email) at the relevant address given above. You may do this at any time. You may revoke the election to opt out at any time by a further notice in writing.

Explanatory Note

As administrators of the company, we are required to issue progress reports bi-annually and upon the conclusion of the administration. If you opt out, you will not receive these. If further decisions are sought from the creditors, you will not receive notice of these, although you would still be entitled to participate if you learned of the decision procedure informally. Opting out will not impact on the procedure of agreeing your claim in the event that a dividend becomes payable and you will receive notice of intended dividends and payment of dividends.

C Notice about this report

This report has been prepared by Sarah O'Toole, the Joint Administrator of Bentall Rowlands Storage Systems Limited, solely to comply with the Joint Administrator's duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the creditors, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

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

Any persons choosing to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators <do/does> not assume any liability in respect of this report to any such person.

Sarah O'Toole and Jason Bell are authorised by the Insolvency Practitioners Association to act as insolvency practitioners.

The Joint Administrators are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointment of the Joint Administrators is personal to them and to the fullest extent permitted by law, Grant Thornton UK LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

Please note you should read this report in conjunction with any other reports that may have been issued by the Joint Administrators to the Company's creditors, which can be found on the Grant Thornton Insolvency Act portal. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT

B. Bentall Rowlands Storage Systems Limited - In Administration
Estimated statement of affairs as at 15 August 2019

£'000	NBV 30 June 2019*	Estimated to realise
Assets subject to floating charge		
Unencumbered fixed assets	159	150
Stock	171	50
Trade debtors	1,601	250
WIP	528	-
Prepayments	7	-
Cash at bank	-	55
Net assets subject to fixed charge	2,465	505
Preferential creditors		-
Net property		505
Prescribed part of net property		(104)
Available to floating charge holders		401
Amounts due to secured creditor		(823)
Shortfall as regards secured creditor		(422)
Prescribed part		
Unsecured creditors		(2,047)
Distribution		0.05

* With the exception of debtors which are as at 7 August 2019

Notes

- The creditor outcomes above are stated prior to the costs of the Administration.
- The amounts included for secured creditors represents amounts owed to HSBC UK Bank plc in respect of its overdraft, credit cards and performance bond liabilities.

Bentall Rowlands Storage Systems Limited **B - Company Creditors**

Key	Name	Address	£
CA00	A & C Maintenance Ltd	Unit 11B Monksbridge Trade Est, Outgang Lane, Dinnington, Sheffield, S25 3QZ	240.00
CA01	A Groom Engineering	The Oaks, 15 Evesham Road, Cookhill, Alcester, Warwickshire, B49 5LL	2,834.40
CA02	Aircraft & Commercials Tools	(Sheffield) Ltd, Bowling Green Street, Sheffield, S3 8SU	3,046.20
CA03	Alpha Packaging & Strapping Lt	Block 4, Unit 1, Kiln Lane Trading Estate, Stallingborough, Grimbsy, DN41 8DY	1,156.17
CA04	Andrew Craven		1,167.09
CA05	Apollo Industrial Supplies Ltd	Wintec House, Winterton Road, Scunthorpe, North Lincolnshire, DN15 0BA	266.89
CA06	Apparelmaster Uk Ltd	Oslo Road, Sutton Fields Ind Estate, Hull, HU7 0YD	1,644.08
CA07	Ashtead Plant Hire Co Ltd	102 Dalton Avenue, Birchwood Park, Warrington, WA3 6YE	25,415.93
CA08	Audi Finance	Brunswick Court, Yeomans Drive, Blakelands, MK14 5LR	962.66
CA09	Ayrshire Metal Products	Church Street, Irvine, Ayrshire, Scotland, KA12 8PH	8,417.24
CB00	B W Industries Ltd	Lancaster Road, Carnaby Ind. Estate, Bridlington, Yorkshire, YO15 3QY	46,604.65
CB01	Bapp Industrial Supplies Ltd	5 Colin Road, Scunthorpe, North Lincolnshire, DN16 1TT	100,544.35
CB02	Barclay & Mathieson Ltd	293 Coleford Road, Darnall, Sheffield, S9 5NF	6,043.38
CB03	Bell Waste Control	Off Winterton Road, Scunthorpe, DN15 0DH	2,290.39
CB04	British Steel	Scunthorpe Metal Centre, The Old Structural Workshops, DN16 1AR	85,350.97
CB05	Buttonswood Ltd	Adj 43 West Street, Winterton, DN15 9QG	1,280.10
CC00	Chainbridge Steel (Ne) Ltd	Rainhill Road, Stephenson Ind Estate, District 12, Washington, Tyne & Wear, NE37 3HU	63,204.92
CC01	Chief Industries Uk Ltd	Beckingham Business Park, Tolleshunt Major, Maldon, Essex, CM9 8LZ	8,655.33
CC02	Company Hsbc Credit Card	8-16 Canada Square, Canary Wharf, London, E14 5HQ	5,592.83
CC03	Complete Office Solutions	7 Snowdonia Ave, Scunthorpe, North Lincolnshire, DN15 8NL	827.57
CC04	Container King Ltd	Rowland Road, Scunthorpe, North Lincolnshire, DN16 1TL	1,872.00
CC05	Cooper & Turner Distributn Ltd	Unit 1, Canklow Meadows Ind Estate, Rotherham, S60 2XL	5,270.78
CC06	Corbett & Co	George House, 2 Claremont Road, Teddington, TW18DG	9,198.00
CD00	Drainmaster (Rd Sedgewick)	10 Worcester Close, Scunthorpe, South Humberside, DN16 3TL	90.00
CE00	ECIA	5th Floor, Broadway House, Tothill Street, London, SW1H 9NS	7,727.28
CE01	Elliot Hire	Scotter Road South, Bottesford, Scunthorpe, DN17 2BW	3,538.08
CE02	Engineering & Welding Supplies	Westmorland Street, Hull, HU2 0HX	1,514.82
CE03	Etablissements Denis	Avenue Louis Denis, F 28160 Brou	561.80
CF00	Fsa Forschungsgesellschaft	Dynamostasse 7-11, 68165 Mannheim	24,947.41
CG00	Garry Robinson		48.90
CG01	Gen-Fab Ltd	Swinton Bridge Ind Estate, Whitelee Road, Swinton, S64 8BH	31,280.03
CG02	Grupo Jex Technology S.L.	Avda Lopez Penalver 21, 29590 Malaga, Spain, 872935	32,237.15

Bentall Rowlands Storage Systems Limited **B - Company Creditors**

Key	Name	Address	£
CH02	Harrier Engineering Ltd	20A Kendale Road, Off Grange Lane North, Scunthorpe, DN16 1DT	50,827.20
CH03	Hessle Fork Trucks	Carwood Road, Castleford, WF10 4PT	6,489.16
CH04	Hillsborough Steelstock Ltd	Scapa Works, 2 Penistone Road North, Sheffield, S6 1LE	7,122.11
CH05	Hi-Tech Steel Services	Units 4-7 les Centre, Horndale Avenue, Aycliffe Ind Estate, Aycliffe, DL5 6DS	593,719.43
CH06	Humber Galvanizing Ltd	Unit J, Citadel Trading Park, Hull, HU9 1TQ	48,377.00
CH07	Humberside Machinery	Unit 4 East, Northumberland Avenue, HU2 0LN	9,129.33
CI00	Initial Washroom Solutions	Po Box 4975, Dudley, DY1 9FA	213.10
CI01	Interlink Scaffolding Ltd	Unit 11 Station Lane Ind Est, Station Lane Industrial Estate, Birtley, DH3 1DQ	158,619.10
CI02	Iws (Ind & Welding Supplies)	Express House, Wilmington Commercial Park, Bedford Street, Hull, HU8 8AR	2,513.98
CJ00	J Huddleston Ltd	Whitestone Farm, Scotter Road, Laughton, DN21 3PT	816.00
CJ01	J J Clarke & Son	Lake View, Walesby, Market Rasen, Lincolnshire, LN8 3GW	3,847.96
CJ02	Jms Of Doncaster Ltd	Brooklands Road, Carcroft, Bentall Rowlands S.S. Limited, Doncaster, DN6 7BA	399.00
CJ03	John Morre Security	39 Wragby Street, Brigg, North Lincolnshire, DN20 8BS	1,300.88
CK00	K B Packaging & Insulation	The Warehouse, Foggathorpe, Selby, YO8 6PR	155.95
CK01	Kdg Workwear	53 -55 Trafford Street, Scunthorpe, North Lincolnshire, DN15 6TN	119.94
CK02	Kj Design & Build Ltd	Lodge Farm, Bardney Daries, Wragby, Market Rasen, LN8 5JN	13,762.25
CL00	Leyland Exports Limited	Farington House, Le Business Park, Centurion Way, Leyland, PR5 1TZ	2,572.46
CL01	Leyland Holding Company Ltd	Centurion Court, Centurion Way, Leyland, PR25 3UQ	187,149.32
CL02	Lindab Ltd	Units 9-10, Carousol Way, Riverside Business Park, Northampton, NN3 9HG	2,966.59
CL03	Lrs Engineering Limited	Unit 3 Lion Barn Ind Estate, Needham Market, Ipswich, IP6 8NZ	2,974.86
CM00	Meagher Supervision Services	63 Hercules Road, Hellesdon, Norwich, NR65HQ	867.89
CM01	Metalmont S.R.L.	Via Marconi, 92, 31010 Revine Lago, Italy	277.09
CM02	Mgc Import Export Consultants	26 Sandy Lane, Leyland, Lancs	32,744.34
CM03	Mobile Mini Uk Ltd	28 Falcon Court, Preston Farm Business Park, Stockton-On-Tees	1,830.72
CN01	Network		633.32
CN02	Nicholas D Carter		38.08
CN03	No Worries Cleaning Services	335 Messingham Road, Scunthorpe, North Lincs, DN17 2QZ	818.40
CN04	North Lincolnshire Council	Finance Services Business Rate Unit, Po Box 40, Brigg, DN20 8XB	47,703.00
CO00	Ods Euro		47,644.61
CO01	Osf Ltd	Unit 6, Four Ashes Ind Est, Station Road, Wolverhampton, WV10 7DB	924.00
CP00	P Hinds (Gardening Services)	3A North Street, Crowle, North Lincolnshire, DN17 4NB	120.00
CP01	Polyppearl Moulded Products	50A Oswald Road, Scunthorpe, North Lincs, DN15 7PQ	9,499.88

Bentall Rowlands Storage Systems Limited **B - Company Creditors**

Key	Name	Address	£
CP02	Premier Galvanising	Unit 25, Stoneferry Business Park, Foster Street, Stoneferry Road, Hull, East Yorkshire, HU8 8BT	5,959.68
CP03	Prentice & Jackson Ltd	Bontoft Avenue, Hull, HU5 4HF	420.00
CR00	Rhf Fans Limited	Unit 2, Ferrous Way, Gilchrist Road, M44 5FS	35,581.06
CR01	Right Action Ltd	Atkinson Way, Foxhills Industrial Estate, Scunthorpe, North Lincolnshire, DN15 8QJ	361.80
CR02	Rolled Rings Ltd	Unit 1 Joe Pole Workshops, Claycliffe Road, S75 1Hs	8,787.36
CS00	Scunthorpe Power Tool Services	29 Midland Road, Scunthorpe, DN16 1DQ	1,972.68
CS01	Steel Construction Certificatn	Limited, 4 Whitehall Court, Westminster, London, SW1A 2ES	1,407.00
CS02	Steel Processing (Midlands) Lt	Unit 14, Zone 4, Burntwood Business Park, Burntwood, Staffordshire, WS7 3XD	268,011.55
CS03	Stone Create Ltd	4 Badgers Way, Walton Park, Preston, Lancashire, PR5 5QU	6,098.45
CS04	Syntex Engineering Services	32-33 Bewsdale Road, Lawson Ind Estate, Misslesborough, TS3 6LJ	61,445.56
CT00	Tech Inspections Ltd	19A The Keswell Towndam Lane, Donington, Spalding, PE11 4TP	510.00
CT01	Telesis Ltd	2 Thomas Holden Street, Bolton, Lancashire, BL1 2QG	85.16
CA0A	The Alternative Steel Company	Unit 1 Dobson Park Way, Off Manchester Road, Ince, Wigan, WN2 2DY	2,841.60
CA0B	The Angle Ring Company Ltd	Bloomfield Road, Tipton, West Midlands, DY4 9EH	5,040.00
CT02	Trent Lifting Ltd	East Common Lane, Scunthorpe, North Lincolnshire, DN16 1DE	114.00
CT03	Trent Valley Electrical Serv	10 Beech Avenue, Gunness, Scunthorpe, DN15 8TL	219.60
CV00	Vending Enterprises	Hoylelake Road, Moorwell Road Ind Estate, Bottesford, Scunthorpe, North Lincs, DN17 2AZ	430.68
CW00	W Campbell & Son Ltd	1-2 Harpings Road, National Avenue, Hull, HU5 4JF	5,629.53
CW01	Wilson Tool	Stirling Road, South Marston Ind Estate, Swindon, Wiltshire, SN3 4TQ	4,771.07
CW02	Wm Nelstrop & Co Ltd	Albion Flour Mills, Lancashire Hill, Stockport, SK4 1TZ	23,620.80
CW03	Woodbank Office Solutions	Woodbank House, 80 Churchgate, Stockport, SK1 1YJ	149.97
CW04	Wykeland Properties Ltd	Wykeland House, 47 Queen Street, Kingston Upon Hull, HU1 1UU	16,500.00
86 Entries Totalling			2,169,965.90

C. Bentall Rowlands Storage Systems Limited - In Administration
Receipts and payments account
15 August 2019 to 22 August 2019

**Joint Administrators' receipts and payments account
from 15 August 2019 to 22 August 2019**

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

D. Bentall Rowlands Storage Systems Limited - In Administration
Statement of Insolvency Practice Practice 9 disclosure: payments, remuneration and expenses to the Administrators or their associates

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

Statement of Insolvency Practice 9 disclosure

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

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

Pre-appointment costs

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

Prior to appointment the administrators, Grant Thornton UK LLP was engaged by the directors through an engagement letter (the Agreement) dated 25 June 2019 under which the fee basis was based on the actual time spent on the engagement at our normal charge out rates. Creditor approval will be sought for payment of the pre-administration fees and expenses.

Details of the pre-appointment costs are provided below:

Cost	Work done	Why the work was necessary pre-appointment and how it furthered the achievement of an objective of administration	Incurred		Paid		Unpaid	
			Grade	Hrs	£	£	Name of payer and relationship to estate	£
Grant Thornton UK LLP fees	• Administration eligibility assessment	• To manage the sale process and access the options available to the Company and its lender	Partner	44	22,440			77,092
	• Pre-packaged sale	• To confirm that an objective of administration could be achieved and that administration, therefore, was an option for the company	Manager	75	32,386			
	• Pre-appointment formalities and practicalities		Executive Administrator	75	22,060			
				1	206			
		• To assist management with gathering and preparing information, including valuations, for potential acquirers; identification of and introduction to potential acquirers	Total	195	77,092			
Grant Thornton UK LLP expenses	• Mileage	• To assist management with: preparation, issue and filing of required documents and notices; liaising with key stakeholders; and to advise directors (as a board) of their general responsibilities with regard to insolvency				1,482		1,482
	• Travel & Subsistence				54	54		54
Eversheds Sutherland LLP	• Sale agreement and pre appointment formalities	• To ensure that a pre packaged sale of the business and assets could be delivered shortly following appointment						9,000
Wignall Brownlow LLP	• Valuation services	• To provide an independent valuation of the Company's assets						2,000

Notes:

- Partner includes director
- Manager includes associate directors and managers
- Executive includes assistant managers and executive.

Post-appointment costs

Fee basis of the joint administrators

As at the date of this report the fee basis has not been set. The joint administrators' statement of proposals states that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of section 176A(2)(a) of the Insolvency Act 1986 (the "prescribed part" to be carved out of money which would otherwise be payable to the holder of a floating charge).

A consequence of this statement is that rule 18.18(4) of the Insolvency (England and Wales) Rules 2016 provides that the basis of the joint administrators' remuneration shall be fixed, if there is no creditors committee, by (a) the consent of each of the secured creditors; or (b) if the administrator has made or intends to make a distribution to preferential creditors (i) the consent of each of the secured creditors, and (ii) a decision of the preferential creditors in a decision procedure. As no preferential creditors claims are anticipated, the administrators will seek consent from the secured creditor.

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

Accordingly I enclose a fees estimate and details of the expenses which will be or are likely to be incurred.

Fees estimate

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

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

- The administration is concluded within 12 months
- Distributions will be made to unsecured creditors via the prescribed part

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

Area of work	Anticipated work	Why the work is necessary	Financial benefit to creditors		Fees and expense estimate	
			20 hrs	£7,455	£373/hr	
Assets						
Other assets	<ul style="list-style-type: none"> Review company information to realise and seek refunds Realise value of corporation tax losses 	<ul style="list-style-type: none"> To realise value from other potential assets 	<ul style="list-style-type: none"> This work is necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available 	Estimated expenses	<ul style="list-style-type: none"> Legal fees: £3,000 Insurance: £1,000 	
Property	<ul style="list-style-type: none"> Providing any licence to occupy extensions Surrendering leases 	<ul style="list-style-type: none"> Post-sale transitional support To relinquish the liability of any ongoing leases 	<ul style="list-style-type: none"> This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it will not add financial value to the estate it will add value to the insolvency process 			
General	<ul style="list-style-type: none"> Post-sale transitional matters Other ad hoc post sale matters 	<ul style="list-style-type: none"> To assist in any post-sale matters to ensure a smooth transition 	<ul style="list-style-type: none"> This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it will not add financial value to the estate it will add value to the insolvency process 			
Insurance	<ul style="list-style-type: none"> Notifying post appointment insurers and complying with any insurance requirements 	<ul style="list-style-type: none"> To preserve any remaining assets and comply with legislation 	<ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors 			
Investigations				6 hrs	£2,090	£348/hr
Debtor/director/ senior employees	<ul style="list-style-type: none"> Review of the directors' questionnaire Completion of internal investigation Submission of the Directors' conduct report to the Insolvency Services 	<ul style="list-style-type: none"> To comply with statutory requirements 	<ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors 		No expenses anticipated	
Creditors				75 hrs	£24,240	£323/hr
Secured	<ul style="list-style-type: none"> Regular reporting to the secured creditor as to the progress and strategy of the administration Seek fee approval from the secured creditor 	<ul style="list-style-type: none"> To manage stakeholder expectation To comply with statutory requirements 	<ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors 		No expenses anticipated	
Employees & pensions	<ul style="list-style-type: none"> Letters to employees notifying them of their transfer of employment 	<ul style="list-style-type: none"> To comply with statutory requirements 	<ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements 			

<ul style="list-style-type: none"> Deal with employee queries on an ad hoc basis 		requirements and has no direct financial benefit to creditors		
Unsecured	<ul style="list-style-type: none"> Gathering information on all known unsecured creditors Dealing with queries on an ad hoc basis Providing communications regarding the progress of the case and claims 	<ul style="list-style-type: none"> To ensure all unsecured creditors are notified of the appointment To manage stakeholder expectation 	<ul style="list-style-type: none"> This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it will not add financial value to the estate it will add value to the insolvency process 	
Dividends	<ul style="list-style-type: none"> Pay a distribution to secured creditor Adjudicating upon unsecured creditor claims Advertising for claims and adjudicating upon claims received Calculate and pay dividend to creditors 	<ul style="list-style-type: none"> To ensure accurate distribution to creditors To comply with statutory requirements 	<ul style="list-style-type: none"> This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it will not add financial value to the estate it will add value to the insolvency process 	
Prescribed part	<ul style="list-style-type: none"> Calculate and finalise the quantum of the prescribed part 	<ul style="list-style-type: none"> To ensure accurate distribution to unsecured creditors To comply with statutory requirements 	<ul style="list-style-type: none"> This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it will not add financial value to the estate it will add value to the insolvency process 	
Administration				100 hrs £29,940 £299/hr
Appointment formalities	<ul style="list-style-type: none"> Carrying out checks and procedures regarding client due diligence, anti-money laundering and conflicts of interest Advertising of appointment Filing appointment documents 	<ul style="list-style-type: none"> To comply with statutory requirements Internal risk management 	<ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors 	Estimated expenses: <ul style="list-style-type: none"> Statutory advertising: £75 Bordereau: £500
Case set-up	<ul style="list-style-type: none"> Setting up insolvency practitioners' software and transaction processing software Setting up document and mail merge template Detailing strategy notes 	<ul style="list-style-type: none"> To contact all parties involved in the administration, record and process creditor claims, record receipts and payments Strategy memos are recorded to comply with regulations 	<ul style="list-style-type: none"> This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors 	
Case management	<ul style="list-style-type: none"> Internal case reviews to ensure statutory compliance 	<ul style="list-style-type: none"> To comply with statutory requirements 	<ul style="list-style-type: none"> This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it will not add financial value to the estate it will add value to the insolvency process 	

Reports, circulars notices & decisions	<ul style="list-style-type: none"> • Notifying creditors of appointment 	<ul style="list-style-type: none"> • To comply with statutory requirements 	<ul style="list-style-type: none"> • This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors
	<ul style="list-style-type: none"> • Preparation of administrators' statutory proposal • Preparation of progress reports 		
Statement of affairs	<ul style="list-style-type: none"> • Guidance to directors on completion of statement of affairs form • Review and filing of statement of affairs 	<ul style="list-style-type: none"> • To comply with statutory requirements 	<ul style="list-style-type: none"> • This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors
Treasury, billing & funding	<ul style="list-style-type: none"> • Setting up bank accounts • Processing receipts and payments • Reconciling bank accounts to cashbook • Liaising with pre appointment bank 	<ul style="list-style-type: none"> • To manage banking requirements and transactions 	<ul style="list-style-type: none"> • This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors
Tax	<ul style="list-style-type: none"> • Collecting tax information to present to tax team • Correspondence with HMRC 	<ul style="list-style-type: none"> • To establish tax position and ensure compliance with tax legislation 	<ul style="list-style-type: none"> • This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors
Pensions	<ul style="list-style-type: none"> • Corresponding with employee benefits providers and pension scheme 	<ul style="list-style-type: none"> • To comply with statutory requirements 	<ul style="list-style-type: none"> • This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors
Total fees estimate			201 hrs £63,735 £317/hr
Total expense estimate			£4,575

Hourly charge out rates

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

Grade	From 1 October 2017 to current	
	Insolvency £/hr	Pensions & Tax £/hr
Partner	510	510
Director	485	485
Associate director	445	445
Manager	340	340
Assistant manager	300	300
Executive	245 - 260	260
Administrator	165 - 200	165 - 200
Treasury	180	n/a
Support	150	n/a

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

Statement of expenses and disbursements incurred in the Period

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

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
Expenses			
Legal fees – Eversheds Sutherland LLP	9,000	9,000	Nil
Agent fees – Wignall Brownlow LLP	2,000	2,000	Nil

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

Category 1 disbursements

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

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

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

Category 2 disbursements

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

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

Mileage is charged at 45p a mile. VAT is added as appropriate. No category 2 disbursements have been incurred since the date of our appointment.

Sub-contracted out work

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

Payments to associates

We confirm that, in the Period, we have not enlisted services from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has a business or personal relationship.

Relationships requiring disclosure

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

Information for creditors

Information to help creditors to understand their rights in insolvency and regarding officeholders' (ie administrators, liquidators or trustees in bankruptcy) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.