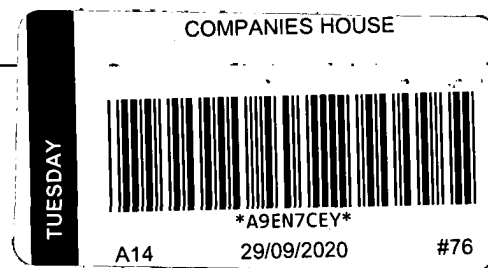


AM03

Notice of administrator's proposals



Companies House



1 Company details

Company number 03778455

Company name in full Stelram Engineering Limited

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

2 Administrator's name

Full forename(s) Howard

Surname Smith

3 Administrator's address

Building name/number 1 Sovereign Square

Street Sovereign Street

Post town Leeds

County/Region

Postcode LS14DA

Country

4 Administrator's name ①

Full forename(s) David James

Surname Costley-Wood

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

5 Administrator's address ②

Building name/number 1 St Peter's Square

Street

Post town Manchester

County/Region

Postcode M23AE

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

Howard Smith

x

Signature date

^d2^d4

^m0^m9

^y2^y0^y2^y0

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	Poppy Bayley
Company name	KPMG LLP
Address	1 Sovereign Square
	Sovereign Street
Post town	Leeds
County/Region	
Postcode	L S 1 4 D A
Country	
DX	
Telephone	Tel +44 (0) 113 231 3575



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



Joint Administrators' proposals

Stelam Engineering Limited
– in Administration

24 September 2020

Deemed delivered: 28
September 2020

Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in the document such as the proposed basis of our remuneration.

A glossary of the abbreviations used throughout this document is attached (Appendix 7).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, www.kpmg.co.uk/stelramengineering. We hope this is helpful to you.

Please also note that an important legal notice about this statement of proposals is attached (Appendix 8).



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1 Executive summary

- Stelram Engineering Limited (the 'Company') was incorporated on 27 May 1999 and specialised in engineering bespoke automated manufacturing systems predominantly for the food and automotive sectors. The Company operated from offices and manufacturing units in Wakefield, West Yorkshire, and had 27 employees as at the date of our appointment (Section 2 - Background and events leading to the administration).
- In an attempt to restructure the Company and return it to profitability, it entered into a Company Voluntary Arrangement ('CVA') in May 2019 with an independent practice. However, restrictions imposed as a result of COVID-19 resulted in an ever-decreasing order book, leading to the majority of employees being placed on furlough. Forecast trading activity reduced significantly in comparison to pre-lockdown levels, with orders cancelled or delayed indefinitely (Section 2 - Background and events leading to the administration).
- A shortfall in working capital resulted in a breach of the CVA, not capable of being remedied, leaving the directors with little option but to resolve to place the Company into administration. Accordingly, Howard Smith and David Costley-Wood were appointed as Joint Administrators on 17 August 2020 (Section 2 - Background and events leading to the administration).
- Immediately following our appointment, we assessed the Company's WIP, outstanding order book and the costs that would be incurred in adopting a trading strategy. We concluded that it was not viable to continue trading largely due to a lack of forward-orders. Accordingly, the Company ceased to trade upon the appointment of the Joint Administrators and all 27 members of staff were made redundant (Section 3 - Strategy and progress of the administration to date).
- Following appointment, the Joint Administrators and Hilco approached, or were approached by, a number of parties who expressed an interest in the assets of the Company. This included expressions of interest from two direct competitors, specialist machinery / equipment dealers and a connected entity (Section 3 - Strategy and progress of the administration to date).
- Stelram Medical Limited ('SML'), a connected entity, made an offer of £70,000 for the business and certain assets, including plant, stock, vehicles and intellectual property. Hilco recommended acceptance of SML's offer and a sale was completed on 4 September 2020. The Joint Administrators will now seek to realise all remaining assets, including debtors and a long-leasehold property (Section 3 - Strategy and progress of the administration to date).
- HSBC has the benefit of a fixed charge over the long-leasehold Property and a floating charge over the Company's remaining assets. According to the Statement of Affairs, the amount outstanding to HSBC was £492,000 at the date of appointment. Based on current estimates, HSBC will receive a dividend under its fixed charge; however, the quantum is uncertain and will depend upon the net value realised from the Property. It is anticipated that HSBC will suffer a shortfall on its overall lending to the Company (Section 4 - Dividend prospects).
- Preferential claims comprise employee arrears of wages and holiday pay and are currently estimated at £87,588. Based on current estimates, it is unlikely that there will be a dividend to preferential creditors (Section 4 - Dividend prospects).
- Per the Statement of Affairs, unsecured claims stand at approximately £1.3 million. This comprises CVA creditors as well as a small number of post-CVA trade creditors. Based

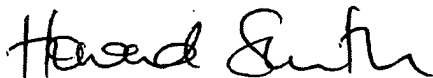


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on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors (Section 4 - Dividend prospects).

- The Joint Administrators consider it prudent to retain all options available to them, as detailed in Section 8, to bring the administration to a conclusion. However, it is currently anticipated that the most likely exit route will be via dissolution (Section 5 - Ending the administration).
- The Joint Administrators proposals will be deemed approved, with no requirement to seek deemed consent or use a decision procedure, as it appears the Company has insufficient property to enable a distribution to unsecured creditors (Section 6 – Approval of proposals).
- We intend to seek approval of our remuneration, disbursements and pre-administration costs from Secured and preferential creditors alongside this report. We have included an estimate of our time costs for the administration at Appendix 3 (Section 7 - Joint Administrator's remuneration, disbursements and pre-administration costs).
- This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 8 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.



Howard Smith
Joint Administrator



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2 Background and events leading to the administration

2.1 Background information

The Company was incorporated on 27 May 1999 and specialised in engineering bespoke automated manufacturing systems predominantly for the food and automotive sectors. The Company was a second-generation family run business, with Steven Holt and Lee Holt as directors as at our appointment.

The Company operated from offices and manufacturing units in Wakefield, West Yorkshire, and had 27 employees as at the date of our appointment.

2.2 Funding and financial position of the Company

Funding

HSBC provided the Company with banking facilities and had provided funding for the purchase of the Company's long leasehold property in Wakefield (the 'Property'). The Bank benefits from a fixed charge over the Property dated 23 December 1999 and a floating charge over the remaining assets by virtue of a debenture dated 27 November 1999. At the date of the appointment, HSBC was owed £496,201 according to the formal demand letter received from the Bank.

Financial performance and position

The Company's financial performance for FY18, FY19 and first five months of FY20 is detailed below.

Profit and loss account			
£'000	5 months ended 31 May 2020	12 months ended 31 December 2019	12 months ended 31 December 2018
Turnover	1,356	3,455	10,210
Costs of sales	(888)	(2,137)	(9,751)
Gross profit	468	1,318	459
Administrative expenses	(349)	(1,218)	(2,121)
Operating profit/(loss)	119	99	(1,662)
Net interest receivable / (payable)	(9)	(50)	(109)
Profit / (loss) before tax	110	49	(1,771)

Source: Management accounts, and annual accounts (for years ended 31 December 2018 and 31 December 2019).

In the year ended 31 December 2018, the Company recorded a turnover of £10.2 million, but made a loss in that year of £1.7 million. In an attempt to restructure the Company back to profitability, it entered into a CVA in May 2019, with O'Haras Limited. Whilst the Company's turnover was significantly lower at £3.5 million in the year ended 31 December 2019, the Company recorded a small profit of £48,708.



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The Company's latest management accounts show that the Company made a profit of £109,858 in the five months ended 31 May 2020. However, forecast trading from March 2020 onwards was significantly impacted by restrictions imposed by the Government in response to COVID-19.

The Company's financial position in the latest management accounts is as per below:

Balance sheet			
£'000	31 May 2020	31 December 2019	31 December 2018
Fixed assets			
Intangible assets	109	92	104
Tangible assets	293	339	370
Current assets			
Stocks	179	224	224
Debtors	292	389	1,150
Total assets	873	1,043	1,848
Current liabilities			
Bank loans and overdrafts	(543)	(499)	(607)
Trade creditors	(206)	(341)	(748)
Other taxes and social security costs	(213)	(116)	(286)
Other creditors	(606)	(892)	(957)
Non-current liabilities			
Bank loans	-	-	(104)
Total liabilities	(1,568)	(1,849)	(2,702)
Net liabilities	(695)	(805)	(854)

Source: Management accounts and annual accounts (for years ended 31 December 2018 and 31 December 2019).

2.3 Events leading to the administration

We understand that trading improved in the first quarter of 2020; however, restrictions imposed as a result of COVID-19 resulted in an ever-decreasing order book, leading to the majority of employees being placed on furlough. Forecast trading activity reduced significantly when compared to pre-lockdown levels, with orders cancelled or delayed indefinitely.

A shortfall in working capital resulted in a breach of the CVA, not capable of being remedied, leaving the Directors with little option but to resolve to place the Company into administration.

Accordingly, Howard Smith and David Costley-Wood were appointed as Joint Administrators on 17 August 2020.

Source of introduction and previous work carried out

KPMG were originally introduced to the Company by O'Haras Limited in early 2019. KPMG was subsequently engaged by the Company on 22 February 2019 until the end of March 2019 to provide short term cash flow monitoring and stakeholder management advice.



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All costs in relation to the above were paid prior to the Company entering administration.

The Directors contacted Howard Smith at the beginning of August 2020 when it became evident that the CVA breach could not be remedied. At that meeting, the Directors and Howard Smith discussed the financial position of the Company and the potential insolvency options.

At the time of our appointment, we disclosed to the Court details of the work carried out by KPMG up to that time.

We are satisfied that the work carried out by KPMG before our appointment, including the pre-administration work summarised below, has not resulted in any relationships which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

2.4 Pre-administration work

The following work was carried out prior to our appointment, with a view to placing the Company into administration:

- KPMG advised the Company on the options available, the impact of administration, and the requirement for the Directors to seek independent legal advice;
- KPMG consulted with key stakeholders, including HSBC, and reviewed appointment documents;
- Hilco undertook a site visit and inspection of the plant and machinery and other chattels in order to provide a valuation of the Company's assets; and
- Lupton Fawcett drafted appointment documents, and provided general legal advice ahead of our appointment as Administrators.

The costs incurred by KPMG, Hilco and Lupton Fawcett have not been paid to date. Approval for these costs will be sought from the Secured and preferential creditors, as necessary (see Section 7 – Joint Administrators' remuneration, disbursements and pre-administration costs).

2.5 Appointment of Joint Administrators

The Directors filed a notice of intention to appoint an administrator on 10 August 2020.

The Directors latterly resolved on 17 August 2020 to appoint us as Joint Administrators. The notice of appointment was lodged at the High Court of Justice Business and Property Courts in Leeds Insolvency and Companies List (ChD) on 17 August 2020 and we were duly appointed.



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3 Strategy and progress of the administration to date

3.1 Strategy to date

Strategy

Immediately following our appointment, we assessed the Company's WIP, outstanding order book and the costs that would be incurred in adopting a trading strategy. We also considered that the prospect of achieving a sale of the business would be uncertain due to the minimal ongoing trade prior to appointment, the absence of an order book, and, the general economic climate (due to COVID-19). We concluded therefore that it was not viable to trade in administration.

Accordingly, the Company ceased to trade following the appointment of the Joint Administrators and all 27 members of staff were made redundant (including those who remained on furlough at the date of our appointment).

We instructed Hilco, an experienced firm of specialist agents, to value and sell the Company's plant & machinery, vehicles, stock and other chattels. In addition, we instructed Avison Young to provide a valuation and marketing strategy in respect of the Company's long leasehold and leasehold property interests.

In also wrote to the Supervisor of the Company's CVA shortly after our appointment, requesting any information that would be relevant to the Joint Administrators and the administration. Addleshaw Goddard has provided advice to us.

Our strategy will continue to focus on realising all remaining assets, whilst attending to all statutory matters.

Sale of business and assets

Following appointment, the Joint Administrators and Hilco approached and were contacted by a number of parties who expressed an interest in the assets of the Company. This included expressions of interest from two direct competitors, specialist machinery / equipment dealers and a connected entity.

Offers were received from a direct competitor in respect of certain items of plant & machinery, together with the customer lists. Another offer was received from a specialist machinery dealer on a clearance basis. However, these offers were below break-up value and therefore Hilco advised the Joint Administrators to not progress the offers.

Stelram Medical Limited ('SML'), a connected entity (by virtue of a common director and shareholder), made an initial offer on 25 August 2020 for certain assets of the Company. This offer was below breakup value, therefore Hilco recommended that this offer should not be accepted.

Subsequently, an increased offer of £70,000 was received from SML on 26 August 2020 for the Company's business and assets, including plant, stock, vehicles and intellectual property.



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Hilco advised the Joint Administrators to accept this offer for the following reasons:

- ❑ the consideration was greater than would be achieved if the assets were sold on a breakup basis;
- ❑ Hilco foresaw a potential execution risk of selling the assets by way of an auction given the current situation with COVID-19;
- ❑ the offer mitigated the need to incur additional holding costs, fees associated with an auction process / site clearance (including a buyer's premium) which would have reduced any potential net realisation; and
- ❑ the offer secured a paying short-term tenant for the Company's most valuable asset (the long leasehold property), as a licence to occupy was granted to SML as part of the transaction mitigating holding costs, with rent payable from the third month of occupation.

The Joint Administrators were also satisfied that the transaction would achieve the best result for creditors that was reasonably obtainable in the circumstances. In particular, in addition to the considerations outlined above, the Joint Administrators were conscious that any residual value of the business was continuing to diminish due to the length of time the Company remained inactive, and, holding costs to achieve an auction or piecemeal disposal could be significant compared to the value of the assets available.

HSBC, in its capacity as Secured Creditor, was notified of the offer received from SML. HSBC provided approval for the sale of the Company's business and assets on 1 September 2020 and subsequently provided deeds of release.

Leasehold property

The Company operated from three adjacent manufacturing units in Wakefield (in addition to the long-leasehold property).

Following the clearance of the units by SML, two units were formally surrendered back to the Landlord on 10 September 2020 and 21 September 2020. Any holding costs during the period from the sale to surrender will be covered by SML.

As part of the sale agreement, an initial licence to occupy was granted to SML for three months for the long leasehold manufacturing unit. SML will cover any holding costs, and, pay a licence fee of £3,000 per month for month three.

Avison Young has been instructed to value the Property and recommend a marketing / realisation strategy for the Property.



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3.2 Asset realisations

Realisations from the date of our appointment to 11 September 2020 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant assets, and realisations to date, are provided below.

Sale of business

Hilco was instructed to undertake a valuation of the Company's plant, machinery and other chattels and to advise on a strategy to maximise realisations.

As detailed above, the business and certain assets of the Company were sold to the SML on 4 September 2020. Hilco recommended acceptance of the offer to us (as outlined in Section 3.1). The total consideration was received on completion and was apportioned as follows:

Asset	Fixed or floating charge	Consideration (£)
Business Name	Fixed	1
Business Rights	Fixed	1
Customer Contracts	Fixed	1
Goodwill	Fixed	1
Intellectual Property Rights	Fixed	1
Transferred Records	Fixed	100
Plant & machinery	Floating	44,500
Furniture & equipment	Floating	2,500
Motor vehicles	Floating	17,895
Stock	Floating	5,000
Total:		70,000

SML is a connected entity to the Company by virtue of a common director and shareholder. Steven Holt is a common director and shareholder of the Company and SML.

VAT refunds (pre-appointment)

A VAT 100 was completed by the Company prior to our appointment. A refund of £9,216 was received from HMRC in respect of the quarter ended 30 June 2020.

Long leasehold property

As noted above, Avison Young has been instructed to provide a valuation to us, and, to recommend a marketing/ realisation strategy for the Company's long leasehold property, which is located at Moor Business Park, Wakefield (the 'Property'). According to the Directors' statement of affairs, the Property had a book value of £213,303.

Whilst a sale process is ongoing, SML has been granted an initial 3-month licence to occupy the Property. As part of this agreement SML will cover holding costs, and, pay a licence fee from the third month of occupation onward of £3,000 per month.

Book debts

According to the Directors' statement of affairs the Company's book debt ledger was approximately £15,000. We will seek to realise all amounts due to the Company and understand certain debtors have already made payment into the Company's pre-appointment account held with HSBC.



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Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Poppy Bayley at KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA, United Kingdom.

3.3 Costs

An estimate of all the anticipated costs likely to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix 4).

No payments were made from the date of our appointment to 11 September 2020 as shown in the attached receipts and payments account (Appendix 2).



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4 Dividend prospects

4.1 Secured creditor

HSBC has the benefit of a fixed charge over the Property and a floating charge over the Company's remaining assets. Since appointment, HSBC has made a demand for £496,201 (before ongoing interest and charges).

Based on current estimates, HSBC will receive a dividend under its fixed charge; however, the quantum is uncertain and will depend upon the net value realised from the sale of the Property.

We anticipate that HSBC will however suffer a shortfall on its overall lending to the Company.

4.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

We estimate the amount of preferential claims at the date of our appointment to be £87,588.

Based on current estimates, it is unlikely that there will be a dividend to preferential creditors.

4.3 Unsecured creditors

Per the Statement of Affairs, unsecured claims stand at approximately £1.3 million. This comprises CVA creditors as well as a small number of post-CVA trade creditors.

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors.

Please note that HSBC's security is dated prior to 15 September 2003 and therefore pre-dates the Prescribed Part Order introduced by the Enterprise Act 2002. Accordingly, the Prescribed Part is not applicable in the Administration.



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5 Ending the administration

5.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 8 to bring the administration to a conclusion in due course.

However, at this stage we anticipate that the most likely exit route will be dissolution.

5.2 Discharge from liability

We propose to seek approval from Secured and preferential creditors that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to obtain discharge from liability.

See Section 7 for details regarding the decision by correspondence.



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6 Approval of proposals

6.1 Deemed approval of proposals

The Joint Administrators' proposals will be deemed approved, with no requirement to seek deemed consent or use a decision procedure, as it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors.

On expiry of eight business days from the date our proposals were delivered to the creditors, they will be deemed to have been approved by the creditors unless 10% in value of creditors request that a decision procedure is convened. Further details of the steps to convene a procedure are detailed below.

6.2 Creditors' right to request a decision

We will use a decision-making procedure or deemed consent to seek approval of our proposals (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company, and (2) if the procedures set out below are followed.

Requests for a decision must be made within eight business days of the date on which our proposals were delivered. They must include:

- a statement of the requesting creditor claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting;

In addition, the expenses of the decision procedure at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a decision, please complete and return the decision requisition form available on the KPMG Insolvency Portal.



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7 Joint Administrators' remuneration, disbursements and pre-administration costs

7.1 Approval of the basis of remuneration and disbursements

We propose to seek approval from Secured and preferential creditors that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

Agreement to the basis of our remuneration and the drawing of Category 2 disbursements is subject to specific approval. It is not part of our proposals.

Should the circumstances of the administration change, we reserve the right to revert to unsecured creditors in order to seek approval for the basis of remuneration and the drawing of Category 2 disbursements.

Time costs

From the date of our appointment to 11 September 2020, we have incurred time costs of £74,584. These represent 210 hours at an average rate of £356 per hour.

Disbursements

We have incurred disbursements of £552 from the date of appointment to 11 September 2020. None of these have yet been paid.

Additional information

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by KPMG for the period from our appointment to 11 September 2020. We have also attached our charging and disbursements recovery policy.



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7.2 Pre-administration costs

The following pre-administration costs have been incurred in relation to the pre-administration work detailed in Section 2.4:

Pre-administration costs			
£	Paid	Unpaid	Total
KPMG fees	-	6,172	6,172
Hilco fees	-	2,000	2,000
Hilco disbursements	-	220	220
Lupton Fawcett fees	-	4,030	4,030
Lupton Fawcett disbursements	-	50	50
Total	-	12,472	12,472

The payment of pre-administration costs as an expense of the administration is subject to the same approval as our remuneration, as outlined above. It is not part of our proposals.



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8 Summary of proposals

As it was not possible to achieve a sale of the business as a going concern, rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

Therefore, our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims the Company may have;
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to Secured and preferential creditors where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors;
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;
- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Howard Smith and David Costley-Wood, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Howard Smith and David Costley-Wood, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;



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- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration

We propose that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.



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Appendix 1 Statutory information

Company information

Company and Trading name	Stelram Engineering Limited
Date of incorporation	27 May 1999
Company registration number	03778455
Trading address	Moor Park Business Centre, Thornes Moor Road, Wakefield, West Yorkshire, WF2 8NZ
Previous registered office	Moor Park Business Centre, Thornes Moor Road, Wakefield, West Yorkshire, WF2 8NZ
Present registered office	1 Sovereign Square, Sovereign St, Leeds, LS1 4DA
Company Directors	Steven Michael Holt Lee Anthony Holt

Administration information

Administration appointment	The administration appointment granted in High Court of Justice Business and Property Courts in Leeds Insolvency and Companies List (ChD), 0661 of 2020
Appointor	Directors
Date of appointment	17 August 2020
Joint Administrators	Howard Smith and David Costley-Wood
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	16 August 2021
Prescribed Part	The Prescribed Part is not applicable on this case due to the charges being registered prior to 15 September 2003.
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.



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Appendix 2 Joint Administrators' receipts and payments account

Stelram Engineering Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 17/08/2020 To 11/09/2020 (£)	From 17/08/2020 To 11/09/2020 (£)
FIXED CHARGE ASSETS			
	Business Name	1.00	1.00
200,000.00	Leasehold property	NIL	NIL
	Business Rights	1.00	1.00
	Customer Contracts	1.00	1.00
1.00	Intellectual Property Rights	1.00	1.00
1.00	Goodwill	1.00	1.00
	Transferred Records	100.00	100.00
		105.00	105.00
FIXED CHARGE CREDITORS			
(492,000.00)	Fixed charge creditor	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
45,998.00	Plant & machinery	44,500.00	44,500.00
1,000.00	Furniture & equipment	2,500.00	2,500.00
18,000.00	Motor vehicles	17,895.00	17,895.00
5,000.00	Stock	5,000.00	5,000.00
14,000.00	Book debts	NIL	NIL
	VAT refunds (pre-app'ent)	9,216.04	9,216.04
		79,111.04	79,111.04
PREFERENTIAL CREDITORS			
(76,467.00)	Other	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(1,147,739.00)	Trade & expense	NIL	NIL
(229,353.00)	Employees	NIL	NIL
		NIL	NIL
(1,661,559.00)		79,216.04	79,216.04
REPRESENTED BY			
	Fixed charge current		105.00
	Floating charge current		79,111.04
			79,216.04



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Appendix 3 Joint Administrators' fees estimate

Estimated time costs for the engagement			
	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)
Administration & Planning			
Bankrupt/Director/Member	11.20	3,715.50	331.74
Cashiering	20.40	6,568.20	321.97
General	47.60	14,831.50	311.59
Statutory and compliance	98.50	32,049.50	325.38
Tax	34.60	13,503.00	390.26
Creditors			
Committees	-	-	-
Creditors and claims	73.80	23,289.70	315.58
Employees	39.70	11,616.60	292.61
Investigations			
Directors	36.00	11,368.60	315.79
Investigations	26.50	8,181.00	308.72
Realisation of Assets			
Asset Realisation	82.95	34,046.40	410.44
Trading			
Trading	-	-	-
Total	471.25	159,170.00	337.76

Our estimated time costs for the engagement will include the following matters.

Administration & Planning

Bankrupt / Director / Member: Time will include notifying and liaising with the Company's Directors and shareholders.

Cashiering: New bank accounts have been opened and will be maintained in the administration. Receipts and payments will be processed and authorised, which we will reconcile to internal systems.

General: Time will include general time spent on administration matters, including handling Company books and records per our statutory duties, reviewing time costs and producing reports which are compliant with Statement of Insolvency Practice 9. In addition, KPMG's Forensic team will back up the Company's electronic records.

Statutory and compliance: We will be required to comply with our statutory obligations. Time will be spent updating the strategy for the administration, including preparing checklists and reviews, and providing updates to HSBC in its capacity as Secured Creditor.



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Tax: The Company will be required to complete VAT returns. KPMG tax specialists will also complete corporation tax returns, as well as comply with any other tax obligations. We will also utilise tax specialists to analyse the VAT and tax position of the sale of business and assets to SML, as well as other asset disposals. We have notified HMRC of our appointment and will liaise with HMRC on all other tax matters during the administration, including seeking tax clearance prior to the end of the administration and ongoing VAT returns.

Creditors

Committees: We do not anticipate that a creditors' committee will be formed. Further time would be incurred should one be formed.

Creditors and claims: Time will be spent communicating with creditors, which will include notifying creditors of our appointment, dealing with ROT claims and responding to general enquiries. Time will also be spent preparing updates on the progress of the administration, including drafting and circulating our proposals and progress reports. In addition, we will communicate with HSBC and make distributions (as applicable).

Employees: Time will be spent dealing with statutory employment-related matters and employee queries by our specialist ERA team. We will agree employee claims, as applicable, and communicate with the Redundancy Payments Service regarding all employee matters.

Directors: Time will be spent liaising with the Directors regarding the Statement of Affairs and Directors' questionnaires, as well as investigating the affairs of the Company in line with our statutory duty.

Investigations: A report on the conduct of the Directors will be drafted and submitted confidentially to the Insolvency Service. We will review pre-administration transactions, as well as the Company's financial performance and position prior to insolvency. We will review the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

Realisation of Assets

Asset Realisation: Time costs have been incurred in seeking valuations and liaising with Hilco, Avison Young and Addleshaw Goddard in order to achieve sales of the Company's assets, including intellectual property, plant & machinery, motor vehicles and furniture & equipment. In addition, time has been incurred implementing licence to occupy agreements with SML and surrendering leases for two of the manufacturing units to the Landlord. Further time costs will be incurred including, but not limited to, realising the Property, debtors and dealing with any other assets.

Trading

Trading: The Company ceased to trade upon appointment, therefore, no time costs are anticipated in relation to trading.

In the event that additional work is necessary due to a change in the circumstances of the administration, we may need to increase our fee estimate and request approval to draw additional remuneration.



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Appendix 4 Joint Administrators' expenses estimate

Expenses of the administration				
£	Note	Paid to date	Future costs	Total
Joint Administrators' pre-administration costs	1	-	6,172	6,172
Joint Administrators' fees	1	-	159,170	159,170
Joint Administrators' disbursements	1	-	1,000	1,000
Legal pre-administration costs	2	-	4,080	4,080
Legal fees	2	-	9,000	9,000
Legal disbursements	2	-	300	300
Agents' pre-administration costs	3	-	2,220	2,220
Agents' fees	3	-	9,125	9,125
Agents' disbursements	3	-	1,500	1,500
Storage costs	4	-	2,000	2,000
Insurance	5	-	5,000	5,000
Re-direction of mail	6	-	300	300
Statutory advertising	7	-	142	142
Bank charges	8	-	100	100
Total		-	200,109	200,109

All amounts are estimated based on information available at the time and are therefore subject to change.

Note 1 – Joint Administrators' fees, disbursements and pre-administration costs

Our proposed fees and disbursements, as detailed in the fees estimate in Appendix 3 and pre-administration costs detailed at Section 7.2.

Approval for all pre-administration costs, our fees and disbursements will be requested from Secured and preferential creditors alongside this report (see Section 7 for further detail).

Note 2 – Legal fees, disbursements and pre-administration costs

This includes estimated legal costs and disbursements to be incurred throughout the administration in respect of the following matters:

- providing advice in relation to the sale of business and assets to SML, and sale of the Property, as well as providing a review of HSBC's security and validity of our appointment (Addleshaw Goddard); and
- offering general legal advice throughout the course of the administration (as required) (Lupton Fawcett).

Note 3 – Agents' fees, disbursements and pre-administration costs

This includes estimated agents' fees and disbursements to be incurred throughout the administration in respect of the following matters:

- providing a valuation and making recommendations in order to maximise the asset realisations in respect of plant & machinery, stock and other chattels (Hilco); and



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- providing a valuation, and recommending a marketing/ sales strategy for the Property, as well as overseeing the sale and advising us on the Company's other short leasehold interests (Avison Young).

Note 4 – Storage costs

Estimated costs for storage of the Company's books and records in line with statutory requirements.

Note 5 – Insurance

Marsh has been engaged to provide insurance cover of the Company's assets and to undertake a site inspection of the Company's long leasehold and leasehold properties, including producing a health and safety report. The quantum of insurance costs will depend on the time taken to realise the assets and scope of cover provided.

Note 6 – Re-direction of mail

Costs will be incurred redirecting the Company's mail from the Company's previous registered address to the Joint Administrators' office.

Note 7 – Statutory advertising

These are estimated costs for advertising the appointment of the Joint Administrators in the London Gazette and any further advertisements as and when required.

Note 8 – Bank charges

These are estimated bank charges incurred throughout the course of administration associated with making electronic payments.



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Appendix 5 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT and employee matters from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Poppy Bayley on 07778 299 703.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for Restructuring	
Grade	From 01 Jan 2020 £/hr
Partner	690
Director	620
Senior Manager	560
Manager	467
Senior Administrator	325
Administrator	236
Support	147

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.



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Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements during the period 17 August 2020 to 11 September 2020.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Meals		37.60		NIL	37.60
Mileage		NIL		11.70	11.70
Postage		209.99		NIL	209.99
Travel		292.98		NIL	292.98
Total		540.57		11.70	552.27

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements are to be approved in the same manner as our remuneration.



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Narrative of work carried out for the period from 17 August 2020 to 11 September 2020

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of HSBC regarding the progress of the administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ working initially on tax returns relating to the periods affected by the administration; ■ analysing VAT related transactions; ■ dealing with post appointment tax compliance.
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment; ■ responding to enquiries from shareholders regarding the administration; ■ providing copies of statutory reports to the shareholders.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ liaising with finance companies in respect of assets subject to finance agreements; ■ liaising with agents regarding the sale of assets; ■ dealing with issues associated with the sale of stock; ■ reviewing outstanding debtors and management of debt collection strategy; ■ liaising with the Company regarding debtor recoveries.
Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's leasehold properties, including review of leases; ■ communicating with landlords regarding rent, property occupation and other issues.
Sale of business	<ul style="list-style-type: none"> ■ planning for the sale of the business and assets, including instruction and liaison with professional advisers; ■ seeking legal advice regarding sale of business; ■ dealing with queries from interested parties and managing the information flow to potential purchasers; ■ carrying out sale negotiations with interested parties.
Health and safety	<ul style="list-style-type: none"> ■ liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with;



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	<ul style="list-style-type: none"> ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment; ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; ■ communicating and corresponding with HM Revenue and Customs; ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office; ■ managing claims from employees.
Pensions	<ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes; ■ calculating employee pension contributions and review of pre-appointment unpaid contributions; ■ ensuring compliance with our duties to issue statutory notices; ■ liaising with the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment.
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals; ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records.
Investigations/directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs.



Time costs

Pre-Administration costs (04/08/2020 to 16/08/2020)						
	Hours					Average
	Partner /	Director	Manager	Administrator	Support	Hourly Rate
						(£)
					Total	Time Cost (£)
Advising directors		5.10			5.10	2,744.40
Appointment documents		3.10		1.00	4.10	1,972.00
Pre-administration checks		2.60			2.60	1,456.00
Total	0.00	10.80	1.00	0.00	11.80	6,172.40
						523.08

SIP 9 – Time costs analysis (17/08/2020 to 11/09/2020)						
	Hours				Time Cost	Average
					(£)	Hourly Rate (£)

Administration & planning

Bankrupt/Director/Member

Notification of appointment **1.70** 552.50 325.00

Cashiering

General (Cashiering) **2.80** 714.20 255.07

General

Books and records **14.15** 4,598.75 325.00

Fees and WIP **2.90** 942.50 325.00

Statutory and compliance

Appointment and related formalities **30.90** 9,864.90 319.25

Bonding & Cover Schedule **0.50** 162.50 325.00

Budgets & Estimated outcome statements **3.90** 1,377.30 353.15

Reports to debenture holders **2.80** 1,307.60 467.00

Strategy documents **13.90** 5,659.30 407.14

Tax

Initial reviews - CT and VAT **6.40** 2,157.60 337.13

Post appointment corporation tax **1.50** 840.00 560.00

Post appointment VAT **5.20** 2,556.40 491.62

Creditors

Creditors and claims

General correspondence **3.10** 874.00 281.94

Notification of appointment **17.10** 4,672.20 273.23

Secured creditors **11.30** 3,672.50 325.00

Statutory reports **1.20** 432.60 360.50

Employees



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SIP 9 –Time costs analysis (17/08/2020 to 11/09/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Agreeing employee claims	3.00	708.00	236.00
Correspondence	19.30	5,564.80	288.33
DTI redundancy payments service	4.00	944.00	236.00
Pension funds	0.80	188.80	236.00
Pensions reviews	1.60	591.00	369.38
Investigation			
Directors			
Correspondence with directors	3.90	1,551.50	397.82
Statement of affairs	0.80	373.60	467.00
Realisation of assets			
Asset Realisation			
Debtors	1.50	672.10	448.07
Insurance	3.70	1,344.50	363.38
Leasehold property	11.00	4,599.70	418.15
Office equipment, fixtures & fittings	4.25	1,234.00	290.35
Plant and machinery	4.00	1,683.40	420.85
Pre-appointment tax & VAT refunds	0.80	260.00	325.00
Sale of business	28.60	13,214.70	462.05
Stock and WIP	1.40	653.80	467.00
Vehicles	1.50	615.30	410.20
Total in period	209.50	74,584.05	356.01
<hr/>			
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	209.50	74,584.05	
Carry forward time (appointment date to SIP 9 period end date)	209.50	74,584.05	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.



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Appendix 6 Statement of Affairs, including creditor list

This is the Statement of Affairs for the Company as at the date of our appointment.

We have not carried out anything in the nature of an audit on the information provided. The figures do not take into account the costs of the administration.

Rule 3.30

Statement of Affairs

Name of company Stelram Engineering Limited	Company number 3778455
In the High Court of Justice Business and Property Courts in Leeds Insolvency and Companies List (ChD) <small>(full name of court)</small>	Court case number CR2020LD5000661

Statement as to the affairs of (a) Stelram Engineering Limited (the 'Company'),
1 Sovereign Square, Sovereign St, Leeds, LS1 4DA

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

on the (b) 17th August 2020, the date that the company entered administration.

(b) Insert date of appointment

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) (date of appointment), the date that the company entered administration.

Full name Steven Holt
Signed Steven Holt
Dated 16/09/2020



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A - Summary of Assets

Assets

	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Property	213,303	200,000
Goodwill	87,208	1
Software	21,520	1
Total assets subject to fixed charge	322,031	200,002
Less: Amount(s) due to fixed charge holder(s)	-492,000	-492,000
Shortfall/surplus to fixed charge holder(s) c/d	-169,969	-291,998
Assets subject to floating charge:		
Plant and Machinery	48,478	45,998
Office Equipment	20,946	1,000
Motor Vehicles	10,423	18,000
Stock	178,778	5,000
Trade Debtors	15,000	14,000
Total assets subject to floating charge	42,415	-499,996
Uncharged assets:		
Total uncharged assets	0	0
Estimated total assets available for preferential creditors		-499,996

Signature

Stuart Smith

Date 16/09/20



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A1 - Summary of Liabilities

£	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)	-499,996
Liabilities	
Preferential creditors:	
Preferential (employee) creditors (No.)	-76,467
Other preferential creditors	
Estimated deficiency/surplus as regards preferential creditors	-576,463
Less uncharged assets	0
Net property	-576,463
Estimated prescribed part of net property where applicable (to carry forward)	0
Estimated total assets available for floating charge holders	0
Debts secured by floating charges	-312,000
Estimated deficiency/surplus of assets after floating charges	-312,000
Estimated prescribed part of net property where applicable (brought down)	0
Uncharged assets	0
Total assets available to unsecured creditors	0
Unsecured (trade) (non-preferential) creditors	-1,147,739
Unsecured (employee) creditors (No.)	-229,353
Unsecured (pre-paid consumer) creditors (No.)	0
Estimated deficiency/surplus as regards unsecured creditors	-1,377,092
Shortfall to fixed charge holders (brought down)	-291,998
Shortfall to preferential creditors (brought down)	-576,463
Shortfall to floating charge holders (brought down)	-312,000
Estimated deficiency/surplus as regards creditors	-2,557,553
Issued and called up capital	-50,000
Estimated total deficiency/surplus as regards members	-2,607,553

Signature

Stewart

Date 16/09/20



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COMPANY TRADE CREDITORS

NOTE: You must include all creditors with the EXCEPT of employee creditors and pre-paid consumer creditors. You must confirm if any of the creditors are under hire-purchase, chattel leasing or conditional sale agreements by stating which of these (if any) are applicable in the column below. You must also identify any creditors claiming retention of title over property in the Company's possession by including a tick in the ROT column below.

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £	HP/Chattel/Conditional Sale	Claiming ROT
Creditors after CVA							
Brammer Buck & Hickman	Dakota House, Concord Business Park, Manchester, M22 0RR	£ 112.85					
Corona Energy (Electric)	P O Box 4934, Slough	£ 275.07					
NUH	1 Trafford Wharf Road, Trafford park, Manchester, M17 1JY	£ 307.74					
Vecola		£ 73.14					
Creditors in CVA							
ADVANCED STUDY WELDING SYSTEMS LTD, UNIT 30 CHINAMON BROW BUS PARK, MAKERFIELD WAY, BICK, WIGAN, W19 2		£ 2,178.31					
ABSSAC LIMITED, UNIT E1A ENTERPRISE CENTRE, VALE PARK, EVELSHAM, WORCESTERSHIRE, WR11 1GS		£ 262.04					
ANDREWS SIGHS & ENGRAVERS LTD, UNITS 5&6 RAINCLIFFE HOUSES, MANOR LANE, YORK, NORTH YORKSHIRE, YO30 5A		£ 2,565.36					
AMC LTD, UNIT 3, LAKESIDE BUSINESS PARK, LICHFIELD ROAD, TANNWORTH, STAFFORDSHIRE, B78 3HT		£ 1,352.10					
ARCO LTD - 30 DAYS, P. O BOX 7, MILNER WAY, OSSETT, WEST YORKSHIRE, WF5 3HG		£ 221.53					
ASURVED SYSTEMS (UK) LTD, UNIT 26, EMERALD WAY, STONE BUSINESS PARK, STONE, STAFFORDSHIRE, ST15 0SR		£ 1,500.00					
ATC ADVANCED TECHNOLOGY CUTTING LTD, 403 BRADFORD ROAD, BATLEY, WF17 5LY, ALL STEEL BENDING LTD, 1 LAWY		£ 22,850.52					
ALL STEEL BENDING LTD, 1 LAWYERWOOD GARDENS, THYBERG, ROTHERHAM, S65 4JH, ACI FIRE EQUIPMENT (UK) LTD		£ 1,785.80					
ACE FIRE EQUIPMENT (UK) LTD, UNIT 1, WILKINSON ROAD, COLESDOWN HILL, PLYMOUTH, PL6 8AF		£ 301.20					
ACORN INDUSTRIAL SERVICES LTD		£ 63.20					
ALPACOR PLC, Unit 2 Sheffield Business Park, Merchants Way, Burgess Hill, West Sussex, BN15 8DY		£ 11,774.07					
Abram Adam & Sons Ltd, Watson Street, Sowerby Bridge, West Yorkshire, HX5 1AH, ASH MOULDINGS UK LTD		£ 1,292.53					
ASH MOULDINGS UK LTD, UNIT 5 CRIGGLESTONE IND, 151A1E, HIGH STREET, CRIGGLESTONE, WAKEFIELD, WEST YORKSH		£ 4,409.20					
ALCO LEADS, THE CREDIT CENTRE, NAUTICA, NAVIGATION PARK, WATER MEETING ROAD, BOLLING, DL3 8SW		£ 10,795.63					
ALCO METALS LTD, WESTMASTER INDUSTRIAL, STATION ROAD, NORTH HYKHAM, LIRCEUM, LN6 3DY		£ 525.30					
ALBERTA SPRINGS, UNIT 17 Netley Enterprise Park, Raydon Road, Great Wenhams, Nr Colchester, CO7 6DD		£ 118.55					
AD CONTROL SOLUTIONS LTD, 45 VICTORIA ROAD, BAILEY BRIDGE, WEST YORKSHIRE, HD8 4DX, Accurate Laser Cutting Ltd		£ 42,643.74					
Accurate Laser Cutting (Leeds) Ltd, Unit 3, Stoughton Business Park, Wakefield Road, Leeds, LS10 1DU		£ 6,695.56					
ADAMARAL BELTECH LTD, FOXHOLDS BUSINESS PARK, JOHN TATE ROAD, HERTFORD, HERTS, SG13 7DF		£ 1,369.50					
ADRIAN LTD, SOUTH PARK HILLS, HARE LANE, PUDSEY, WEST YORKSHIRE, LS28 8DR		£ 907.58					
ADB LTD, ST 6015 SHARED SERVICES, HOWARD ROAD, CATON SOCO, ST NEOTS, PE19 8EU		£ 70,829.01					
AZ-TECH LIMITED, UNIT 3 YORK ROAD, RICCALL, YORK, NORTH YORKS, YO19 6QD		£ 4,034.38					
AIR FORCE PNEUMATICS & HYDRAULICS, AIR FORCE HOUSE, SPRINGWELL ROAD, LEEDS, WEST YORKSHIRE, LS12 1BH		£ 1,082.91					
ARIOTT HANDLING EQUIPMENT LTD, HERON LIDS, URS WORTH, NORTHAMPTON, NN6 9EA, AC FLEMING ELECTRICAL LTD		£ 8,026.15					
AC FLEMING ELECTRICAL LTD, 2 LEXCESTER TERRACE, MAJOR DRIVE, HAISTAK, HX3 9EL, BAHN FEEDGEAR		£ 9,987.36					

BAN FEEDGEAR, GOTENBURG WAY, STOCKHOLM ROAD, SUTTON REIDS IND ESTATE, WELLS, WUT DYS	£ 253.80						
EPK Electric Mechanical Co Ltd, POSS WALK, LEICESTER, LE4 5HA, ACCURATE CUTTING SERVICES LTD, P.O. BOX 30 LOWER	£ 2,890.70						
ACCURATE CUTTING SERVICES LTD, P.O. BOX 30 LOWER GROUND FLOOR, BLOCK F MIDDLETON BUS PARK, CARTWRIGHT S	£ 195.50						
B & B Precision Engineering Ltd, UNIT 9 STATION COURT, PARK MILL WAY CLAYTON WEST, HUDDERSFIELD, WEST YORKSH	£ 415.80						
FRANK KEY (BARONS), WORTH WAY, KIRKSTAY, RD21 5AJ, BRANSON ULTRASONICS, 158 EDENBURGH AVENUE	£ 2,322.68						
BRANSON ULTRASONICS, 158 EDENBURGH AVENUE, SLough, BERKSHIRE, SL3 4UE, M. BUTTKREIT LTD	£ 12,345.54						
M. BUTTKREIT LTD, BATAMARA ROAD IND EST, UNIT 2, SALE, CHESHIRE, M33 2AA	£ 185.83						
BRKLEY STAINLESS FITTINGS LTD, 18 BROOKBATE, SOUTH LIBERTY LANE, ASHTON, B53 7JH	£ 632.04						
BAPP LTD SUPP LTD, CLAYTON ROAD, BARLING, BARLING, ST5 2JA, BRITISH FENCORDER PRODUCTS LTD	£ 62.40						
BRITISH FENCORDER PRODUCTS LTD, UNIT 33, WHITEGATE INDUS ESTATE, WILKINSON, L15 8UG, COMPLETE FIRE SOLUTIONS	£ 157.24						
COMPLETE FIRE SOLUTIONS, MILL HOUSE, 18 MILL LANE, PONTERFRACT, WF9 2LU, CROCON	£ 2,661.60						
CROCON (EAST) PUMPS, 37170 Airport Road, PO Box 5020, Monroe, LA 70111-5020, USA	£ 990.00						
CHAS TAYLOR FABRICATIONS LTD, UNIT 14, DIAMOND BUS PARK, THOMAS MOOR ROAD, WAKEFIELD, WF7 8P1, CROMW	£ 416.80						
CROMWELL GROUP (HOLDINGS) LTD, P.O. BOX 14, CHARTWELL DRIVE, WIGSTON, LEICESTER, LE18 1AT	£ 3,514.19						
CROSSING LTD, PO BOX 5, ODAST ROAD, HEATON, NEWCASTLE UPON TYNE, NE6 5TP	£ 533.00						
POWDER COATING SERVICES, UNIT 6 HENRY STREET, BAILEY CAVE, BATLEY, WEST YORKSHIRE, WF17 6J	£ 9,338.78						
CULINA FIRE & SECURITY LTD, Shadsworth Road, Blackburn, Blackburn, Lancashire, BB1 2PA	£ 3,819.99						
CONVEYOR TECHNOLOGY LIMITED, UNIT 3 HOLMFIELD INDUSTRIAL ESTATE, HOLDSWORTH ROAD, HALIFAX, HD8 9TN	£ 1,976.52						
CONTROL LINE LIMITED, CROWN WORKS, DEVILSBURY ROAD, ELLAND, WEST YORKSHIRE, HX5 5BG	£ 13,710.07						
Duncan Fire & Co, Grafton Street, Batley, West Yorkshire, WF17 6AA, D & M DESIGN & FABRICATION LTD	£ 406.14						
D & M DESIGN & FABRICATION LTD, NORTH CLOVE PARK, KIRKSTAY, MALFORD, RUPPE, LE14 3QE, DITCHFORD ENGINEERS (H	£ 15,063.65						
CON SYSTEMS	£ 1,256.75						
DECHITON ENGINEERS (HAISTAK) LTD, STANLEY WORKS, LUCY STREET, NEWBANK, HAISTAK, HX3 8AL, ENGINEERING PLAS	£ 2,211.00						
ENGINEERING PLAS SUPPLIES LTD, UNIT 2, SILVER COURT IND EST, INTERACT WAY, LEEDS, LS13 4LY	£ 5,006.60						
ELITEGAS LTD, BROWN ROAD STREET, THORPOTON ROAD, BRADFORD, WEST YORKSHIRE, BD8 9AF	£ 1,058.46						
Elite International Ltd, DOVECOTE HILL, SOUTH CHURCH ENTERPRISE PARK, BISHOP AURELAND, OD DUBHAM, DL14 6XP	£ 3,244.34						
Elite Transport & Jacks, RAYSON LTD 1/2, Grange Road Industrial Estate, Grange Road, Batley, West Yorkshire, WF17 6LL	£ 2,052.00						
EDGEROW, 28 EDGE AVENUE, THORNTON, DENWORTH, WEST YORKSHIRE, WF12 0EL	£ 9,779.50						
EXCEL WATER LTD, UNIT 18, KILN PARK, MIDDLETON LITTLE ROAD, ALLERTON BYWATER, WF10 2AT, ELESIA LTD LTD	£ 596.16						
ECONOMY PACKING LTD	£ 540.00						
ELESIA LTD, 28 MOODLANDS ESTATE, BETHENINGHAM, LINCOLNSHIRE, LN4 3HS, EQU-SYSTEMS (GB) LTD	£ 33.31						
EQU-SYSTEMS (GB) LTD, MARTIN LANE, BLACKBURN HILL, BARNLEY, SOUTH YORKSHIRE, S74 0EX	£ 888.00						
CRIDMAN MACHINERY LTD, STRATTON BUSINESS PARK, LONDON ROAD, BRIGGLESWAD, BRIGGLESWAD, S018 8DB	£ 1,334.31						
LUCHNER (UK) LTD, UNIT 2, PETRE DRIVE, SHEFFIELD, S4 7PZ, TESTO LTD							
TESTO LTD, Applied Automation Centre, CASWELL ROAD, BRACKNILLS IND EST, NORTHAMPTON, NN4 7PY	£ 18,206.33						
FORDO REGING UK LTD, UNIT 4 FIFTH AVENUE, TAMESIDE PARK, DUDLEY, CHESHIRE, S16 4PP	£ 679.11						
FUTURE FORWARDING LTD, HAMTHORNE HOUSE, DARK LAKE, BURSTALL, WEST YORKSHIRE, WF17 5LW	£ 548.00						
FASTBAX CONVEYOR ROLLERS LIMITED, UNIT 6, TREWITHURCK ROAD, WILLOWBROOK IND ESTATE, CORRY, HX17 5DY	£ 386.70						
ECM Group Investments V11	£ 87.04						

Appendix 7 Glossary

Addleshaw Goddard / Solicitors	Addleshaw Goddard LLP
Avison Young	Avison Young (UK) Limited
Bank / HSBC / Secured Creditor	HSBC UK Bank Plc
Company	Stelram Engineering Limited – in Administration
Court	High Court of Justice, Business and Property Courts in Leeds, Insolvency and Companies List (ChD)
CVA	Company Voluntary Arrangement
Directors	Steven Michael Holt Lee Anthony Holt
ERA	Employment Rights Act
FYXX	Financial year ended 31 December 20XX
Hilco	Hilco Appraisal Limited
HMRC	HM Revenue and Customs
Joint Administrators/we/our/us	Howard Smith and David Costley-Wood
KPMG	KPMG LLP
Landlord	Heritage Holdings (UK) Limited



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Lupton Fawcett

Lupton Fawcett LLP

Marsh

JLT Specialty Limited

Property

Leasehold land and buildings on the south east side of Thornes Road, Wakefield, occupied by the Company as at appointment

SML/ the Purchaser

Stelram Medical Limited

Supervisor

Christopher Brooksbank of O'Haras Limited
(as appointed supervisor of the CVA on 13 May 2019)

WIP

Work in progress

Any references in these proposals to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.



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Appendix 8 Notice: About this statement of proposals

This statement of proposals ('Proposals') has been prepared by Howard Smith and David Costley-Wood, the Joint Administrators of Stelram Engineering Limited – in Administration (the 'Company'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of 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.

These proposals have not been prepared in contemplation of them being used, and are 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 these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

Howard Smith and David James Costley-Wood are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of these proposals or the conduct of the administration.



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