

# AM23

## Notice of move from administration to dissolution



Companies House

For further information, please refer to our guidance at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 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 Court details

Court name High Court of Justice Business and Property Courts  
in Leeds Insolvency and Companies List (ChD)

Court number CR2020LDS000661

### 3 Administrator's name

Full forename(s) Howard

Surname Smith

### 4 Administrator's address

Building name/number 1 Sovereign Square

Street Sovereign Street

Post town Leeds

County/Region

Postcode LS14DA

Country

AM23

Notice of move from administration to dissolution

<b>5</b>	<b>Administrator's name ①</b>	
Full forename(s)	James Ronald Alexander	<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	Lumb	
<b>6</b>	<b>Administrator's address ②</b>	
Building name/number	1 Sovereign Square	<b>② Other administrator</b> Use this section to tell us about another administrator.
Street	Sovereign Street	
Post town	Leeds	
County/Region		
Postcode	L S 1 4 D A	
Country		
<b>7</b>	<b>Final progress report</b>	
	<input checked="" type="checkbox"/> I have attached a copy of the final progress report	
<b>8</b>	<b>Sign and date</b>	
Administrator's signature	<div>Signature</div> <div>X  X</div>	
Signature date	<div><sup>d</sup> 0 9 <sup>m</sup> 0 8 <sup>y</sup> 2 0 <sup>y</sup> 2 1</div>	

**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 **Anh Pham**

Company name **Interpath Advisory**

Address **1 Sovereign Square  
Sovereign Street**

Post town **Leeds**

County/Region

Postcode **L S 1 4 D A**

Country

DX

Telephone **Tel +44 (0) 113 521 7510**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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

**Important information**

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

**Where to send**

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

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

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

Joint  
Administrators'  
final progress  
report for the  
period 17  
February 2021  
to 29 July 2021

Stelram Engineering Limited - in  
Administration

9 August 2021

Deemed delivered: 10 August 2021

# Notice to creditors

Please note that KPMG LLP sold its Restructuring practice in the UK to Interpath Ltd ('Interpath Advisory') on 4 May 2021. This will not have an impact on your day to day dealings of the administration of the Company and your case contacts remain the same.

This progress report provides a final update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since our previous progress report.

We have also explained the exit route from the administration and the outcome for each class of creditors.

You will find other important information in the document such as the costs we have incurred.

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, [www.ia-insolv.com/case+INTERPATH+PK813B1424.html](http://www.ia-insolv.com/case+INTERPATH+PK813B1424.html). We hope this is helpful to you.

**Please also note that an important legal notice about this report is attached (Appendix 7).**

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# 1 Executive summary

This is the final progress report and covers the administration of Stelram Engineering Limited (the 'Company') in the period from 17 February 2021 to 29 July 2021 (the 'Period')

Please note that on 18 March 2021 an order was made in the High Court appointing James Lumb as Joint Administrator of the Company in place of David Costley-Wood, following his resignation. In accordance with the order, creditors were given notice of the replacement of David Costley-Wood as Joint Administrator by advertisement in the London Gazette.

During the Period, we realised £205,000 following the sale of the long leasehold Premises. All assets have now been realised and no further monies will be collected. In addition, all costs have been settled (Section 2 – Progress to date).

As there are no other matters outstanding, we are now in a position to close the administration. This report therefore represents our final update to creditors of the Company (Section 2 - Progress to date).

HSBC has the benefit of a fixed charge over the Premises and a floating charge over the Company's remaining assets. During the Period, a distribution was made to HSBC of £169,952 under its fixed charge security. The Bank's outstanding debt at appointment was £496,201 and it has therefore suffered a shortfall on its lending to the Company (Section 3 – Outcome for creditors).

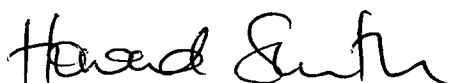
We estimate the value of preferential claims to be £87,588. There were insufficient funds to pay a dividend to preferential creditors. (Section 3 – Outcome for creditors).

There were insufficient funds available to pay a dividend to the unsecured creditors (Section 3 – Outcome for creditors).

This report, along with our previous report and Proposals, provide a summary of the steps taken during the administration. Over the course of the administration there have been no major amendments to or deviations from the Proposals.

We have filed a copy of this final progress report with the Registrar of Companies together with the requisite notice. The administration will cease to have effect when the Registrar of Companies registers these documents. The Company will be dissolved three months after that date.

Please note: you should read this progress report in conjunction with our previous progress report(s) and proposals issued to the Company's creditors. [www.ia-insolv.com/case+INTERPATH+PK813B1424.html](http://www.ia-insolv.com/case+INTERPATH+PK813B1424.html). Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Howard Smith  
Joint Administrator

## 2 Progress to date

This section provides a final update on the strategy for the administration and on the progress made. It follows the information provided in our previous progress report.

### 2.1 Strategy and progress to date

#### Strategy

Please note that on 18 March 2021 an order was made in the High Court appointing James Lumb as Joint Administrator of the Company in place of David Costley-Wood, following his resignation. In accordance with the order, creditors were given notice of the replacement of David Costley-Wood as Joint Administrator by advertisement in the London Gazette.

All final costs of the administration have now been settled and a final distribution of £169,952 has been paid to the Bank under its fixed charge security in the Period.

As there are no other remaining matters to deal with, we are now in a position to exit the administration. This report therefore represents our final update to creditors of the Company.

We consider that our original Proposals have now been completed. There have been no amendments to or major deviations from our original Proposals, as detailed in Appendix 5.

We have filed a copy of this final progress report with the Registrar of Companies together with the requisite notice. The administration will cease to have effect when the Registrar of Companies registers these documents. The Company will be dissolved three months after that date.

#### Sale of business and assets

As outlined in our previous progress report, a sale of business was completed on 4 September 2020 to Stelram Medical Limited ('SML'), for £70,000 for the business and certain assets, including plant, stock, vehicles and intellectual property.

As part of the transaction, a licence to occupy arrangement was agreed with SML to continue to occupy the Company's Premises and adjacent leased manufacturing units. This licence to occupy arrangement ceased when the property sale completed.

#### Sale of long leasehold Premises

The Company's long leasehold Premises at Thornes Moor Road, Wakefield was marketed by our agents, Avison Young. An offer to purchase the property for £205,000 was received from SML and Avison Young recommended acceptance of the offer. The sale value was also approved by HSBC, who have a fixed charge over the Premises.



The sale of the Premises to SML was completed in the Period and consideration of £205,000 was received.

## **2.2 Asset realisations**

Realisations during the Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the Period are provided below.

### **Leasehold property**

As detailed above, during the Period, £205,000 was realised in respect of the long leasehold Premises which was sold to the Purchaser.

### **Insurance refund**

During the Period, £3,071 was realised in respect of insurance refunds. Of this, £987 relates to the pre-appointment insurance the Company had in place. The remaining refund of £2,084 relates to the post-appointment cover for the long leasehold property. This had been pre-paid up to August 2021 and the sale of the property on 31 March 2021 resulted in a refund.

### **Rent**

Rent of £6,000 has been received under the licence to occupy from the Purchaser, which related to the period from 4 February 2021 up to the date the Premises were sold.

### **Investigations**

We reviewed the affairs of the Company to find out if there were any actions which could be taken against third parties to increase recoveries for creditors.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

## **2.3 Costs**

Payments made in this Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the Period are provided below.

#### Joint Administrators' fees

During the Period, we have paid £114,793 in Joint Administrators' fees with £18,718 relating to fixed charge costs and £96,075 relating to floating charges.

#### Joint Administrators' pre-administration fees

Approved pre-administration fees of £6,172 were drawn in the Period.

#### Legal fees and disbursements

During the Period we have paid a total of £9,356 in legal fees and £50 in legal disbursements. Addleshaw Goddard were paid £4,615 for their assistance in selling the long leasehold property. Lupton Fawcett were paid £4,741 for their general legal advice in the administration and in relation to the Joint Administrators' appointment.

#### Agents fees

We have paid £5,525 in total of agents' fees to Avison Young in the Period, for their assistance in the sale of the long leasehold property.

#### Insurance

An insurance premium of £2,772 was paid to JLT in relation to insurance cover for the long leasehold property. As mentioned above, a partial refund of this was received when the property was sold.

#### Council property sale fee

A fee of £504 was deducted from the sale proceeds of the long leasehold property. This was a fee paid to the landlord to cover their costs in agreeing to the sale of the property.

#### Repayment of third-party funds

Funds of £11,553 were repaid after they were received in error into the Company's pre-appointment bank account but were intended for the Purchaser.

#### Storage costs

Final storage costs of £141 were paid to Iron Mountain. This covers the ongoing storage and destruction of the Company's books and records.

#### Licence fee refund

A refund of £194 was issued to the Purchaser to ensure that their licence fee paid was correctly pro-rated up to the date of the property sale.

## **2.4 Schedule of expenses**

We have detailed the costs incurred during the Period in the schedule of expenses attached (Appendix 3).

## **3 Outcome for creditors**

### **3.1 Secured creditors**

As previously reported, HSBC has the benefit of a fixed charge over the Premises and a floating charge over the Company's remaining assets. Their outstanding debt totals £496,201.

During the Period, we have distributed £169,952 to HSBC all of which relates to fixed charge realisations.

HSBC have therefore suffered a shortfall on its overall lending to the Company.

### **3.2 Preferential creditors**

The preferential claims at the date of commencement of the administration totalled £87,588.

There were insufficient funds available to pay a dividend to the preferential creditors.

### **3.3 Unsecured creditors**

There were insufficient funds to pay a dividend to the unsecured creditors.

## 4 Joint Administrators' remuneration and expenses

### 4.1 Joint Administrators' remuneration and expenses

#### Time costs

From 17 February 2021 to 29 July 2021, we have incurred time costs of £55,267. These represent 167 hours at an average rate of £331 per hour.

#### Remuneration

During the Period, we have drawn remuneration of £114,793. Of this, £18,718 relates to fixed charge and £96,075 to floating charge. This is in accordance with the approval previously obtained from the Secured and preferential creditors.

#### Administrators' Expenses

During the Period we have not incurred any expenses.

#### Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from 17 February 2021 to 29 July 2021. We have also attached our charging and expenses policy.

### 4.2 Pre-administration costs

Joint Administrator's fees	6,172	-	<b>6,172</b>
Hilco Fees	2,000	-	<b>2,000</b>
Hilco disbursements	220	-	<b>220</b>
Lupton Fawcett fees	4,030	-	<b>4,030</b>
Lupton Fawcett disbursements	50	-	<b>50</b>
<b>TOTAL</b>	<b>12,472</b>	<b>-</b>	<b>12,472</b>

On 15 October 2020, we obtained approval from the Secured and preferential creditors to pay all of these pre-administration costs as an expense of the administration.

## **5 Conclusion of the administration**

We have filed a copy of this final progress report with the Registrar of Companies together with the requisite notice.

The administration will cease to have effect when the Registrar of Companies registers these documents. The Company will be dissolved three months after that date.

The Company's Secured and preferential creditors have previously granted approval that we will be discharged from liability in respect of any action of ours as Joint Administrators upon filing of the final receipts and payments account within the Registrar of Companies.

## Appendix 1

## Statutory information

### Company information

Company name	Stelram Engineering Limited
Date of incorporation	27 May 1999
Company registration number	03778455
Present registered office	1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA

### 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' details	Howard Smith and James Lumb
Change of office holder	Please note that on 18 March 2021 an order was made in the High Court appointing James Lumb as Joint Administrator of the Company in place of David Costley-Wood, following his resignation. In accordance with the order, creditors were given notice of the replacement of David Costley-Wood as Joint Administrator by advertisement in the London Gazette.
Functions	The functions of the Joint Administrators have been exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	16 August 2021

## Appendix 2 Joint Administrators' receipts and payments account

### Stelram Engineering Limited - in Administration

#### Abstract of receipts & payments

Statement of affairs (£)		From 17/02/2021 To 29/07/2021 (£)	From 17/08/2020 To 29/07/2021 (£)
FIXED CHARGE ASSETS			
	Business Name	NIL	1.00
200,000.00	Leasehold property	205,000.00	205,000.00
	Business Rights	NIL	1.00
	Customer Contracts	NIL	1.00
1.00	Intellectual Property Rights	NIL	1.00
1.00	Goodwill	NIL	1.00
	Transferred Records	NIL	100.00
	Insurance refund	2,083.69	2,083.69
	Bank interest, gross	2.90	2.90
		207,086.59	207,191.59
FIXED CHARGE COSTS			
	Administrators' fees	(18,718.81)	(18,718.81)
	Legal fees	(4,615.18)	(6,415.18)
	Agents'/Valuers' fees	(5,525.00)	(5,525.00)
	Insurance	(2,772.28)	(5,636.60)
	Bank charges	(40.00)	(40.00)
	EPC Services	NIL	(400.00)
	Council property sale fee	(504.00)	(504.00)
		(32,175.27)	(37,239.59)
FIXED CHARGE CREDITORS			
(492,000.00)	Fixed charge creditor	(169,952.00)	(169,952.00)
		(169,952.00)	(169,952.00)
ASSET REALISATIONS			
45,998.00	Plant & machinery	NIL	44,500.00
1,000.00	Furniture & equipment	NIL	2,500.00
18,000.00	Motor vehicles	NIL	17,895.00
5,000.00	Stock	NIL	5,000.00
14,000.00	Book debts	NIL	31,263.50
	VAT refunds (pre-app'ent)	NIL	9,216.04
	Rent	6,000.00	15,000.00
	Insurance refund	987.42	987.42
	Third Party Funds	NIL	2,434.39

# Stelram Engineering Limited - in Administration

## Abstract of receipts & payments

Statement of affairs (£)	From 17/02/2021 To 29/07/2021 (£)	From 17/08/2020 To 29/07/2021 (£)
	6,987.42	128,796.35
OTHER REALISATIONS		
Bank interest, gross	4.51	6.60
Sundry refunds	268.13	268.13
	272.64	274.73
COST OF REALISATIONS		
Pre-admin officeholders' fees	(6,172.00)	(6,172.00)
Administrators' fees	(96,075.37)	(96,075.37)
Agents' /Valuers' fees	NIL	(1,500.00)
Pre-administration Agents fees	NIL	(2,220.00)
Legal fees	(4,740.75)	(10,126.75)
Legal Disbursements	(50.00)	(50.00)
Repayment of Third Party Funds	(11,553.19)	(11,553.19)
Storage costs	(141.45)	(265.70)
Statutory advertising	NIL	(79.00)
Licence fee refund	(193.55)	(193.55)
Insurance of assets	NIL	(835.52)
	(118,926.31)	(129,071.08)
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
<b>(1,661,559.00)</b>	<b>(106,706.93)</b>	<b>NIL</b>
REPRESENTED BY		
Floating ch. VAT rec'able		23,326.47
Fixed charge current		NIL
Floating charge current		NIL
Fixed charge VAT rec'able		6,211.80
Fixed charge VAT payable		(41,000.00)
Floating ch. VAT payable		(3,000.00)
Floating ch. VAT control		(20,326.47)



**Stelram Engineering Limited - in Administration****Abstract of receipts & payments**

Statement of affairs (£)	From 17/02/2021	From 17/08/2020
	To 29/07/2021 (£)	To 29/07/2021 (£)

Fixed charge VAT control		34,788.20
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		<b>NIL</b>
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## Appendix 3      Schedule of expenses

### Fixed charge costs

Legal fees	4,615.18	0.00	<b>4,615.18</b>
Bank charges	40.00	0.00	<b>40.00</b>
Council property sale fee	504.00	0.00	<b>504.00</b>

### Cost of realisations

Repayment of Third-Party Funds	11,553.19	0.00	<b>11,553.19</b>
Storage costs	141.45	0.00	<b>141.45</b>
Licence fee refund	193.55	0.00	<b>193.55</b>
<b>TOTAL</b>	<b>17,047.37</b>	<b>0.00</b>	<b>17,047.37</b>

Please note that there is a difference between the payments made during the Period of £151,102 (per the receipts and payments account) and the expenses incurred and paid in the Period of £17,047 (per the schedule of expenses). This is due to the fact that some of the payments made in the Period relate to expenses incurred in a prior period.

## Requests for further information and right to challenge our remuneration and expenses

### Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

### Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Anh Pham on 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA.

## Appendix 4 Joint Administrators' charging and expenses 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 in-house Interpath Advisory tax, VAT and employee 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 Anh Pham on 0113 521 7512.

### Hourly rates

Set out below are the relevant charge-out rates per hour worked 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.

### Table of charge-out rates

Partner	690
Director	620
Senior Manager	560
Manager	467
Senior Administrator	325
Administrator	236
Support	147

## Policy for the recovery of expenses

We have recovered neither Category 1 nor Category 2 expenses from the estate.

For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

*Expenses:* These are any payments which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

*Category 1 expenses:* These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. 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 expenses:* These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

*Associates:* are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

Category 2 expenses charged by Interpath Advisory 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 Interpath passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any expenses during the Period.

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

Category 2 expenses have been approved in the same manner as our remuneration.

Narrative of work carried out for the period 17 February 2021 to 29 July 2021

The key areas of work have been:

Statutory and compliance	preparing statutory receipts and payments accounts; dealing with all closure related formalities; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	briefing of our staff on the administration strategy and matters in relation to various meetings and calls. reviewing and authorising junior staff correspondence and other work; reviewing matters affecting the outcome of the administration; complying with internal filing and information recording practices, including

	documenting strategy decisions.
Reports to debenture holders	<ul style="list-style-type: none"> <li>■ providing written and oral updates to representatives of HSBC regarding the progress of the administration and case strategy.</li> </ul>
Cashiering	<ul style="list-style-type: none"> <li>■ preparing and processing vouchers for the payment of post-appointment invoices;</li> <li>■ creating remittances and sending payments to settle post-appointment invoices;</li> <li>■ reconciling post-appointment bank accounts to internal systems;</li> <li>■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.</li> </ul>
Tax	<ul style="list-style-type: none"> <li>■ reviewing the Company's pre-appointment corporation tax and VAT position;</li> <li>■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations;</li> <li>■ obtaining corporation tax clearance from HMRC;</li> <li>■ analysing VAT related transactions and deregistering for VAT;</li> <li>■ dealing with post appointment tax compliance.</li> </ul>
General	<ul style="list-style-type: none"> <li>■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9;</li> <li>■ drawing remuneration in accordance with the basis which has been approved by secured and preferential creditors;</li> <li>■ dealing with the ongoing storage and eventual destruction of the Company books and records.</li> </ul>
Asset realisations	<ul style="list-style-type: none"> <li>■ liaising with agents regarding the sale of assets and sale of the long leasehold property;</li> <li>■ dealing with matters connected to the sale of the long leasehold property;</li> <li>■ reviewing outstanding debtors and management of debt collection strategy.</li> </ul>
Open cover insurance	<ul style="list-style-type: none"> <li>■ arranging ongoing insurance cover for the Company's business and assets;</li> <li>■ liaising with the post-appointment insurance brokers re insurance refunds following the sale of the long leasehold property;</li> <li>■ assessing the level of insurance premiums.</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>■ updating the list of unsecured creditors;</li> <li>■ responding to enquiries from creditors regarding the administration and submission of their claims;</li> <li>■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;</li> <li>■ arranging distributions to the secured creditors;</li> <li>■ drafting our final progress report.</li> </ul>

## Time costs

Pre-Administration costs (28/01/2019 to 02/02/2021)						
	Hours					Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	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
<b>Total</b>	<b>0.00</b>	<b>10.80</b>	<b>1.00</b>	<b>0.00</b>	<b>11.80</b>	<b>6,172.40</b>

**SIP 9 –Time costs analysis (17/02/2021 to 29/07/2021)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Cashiering			
General (Cashiering)	<b>10.50</b>	2,782.30	264.98
Reconciliations (& IPS accounting reviews)	<b>0.80</b>	288.40	360.50
General			
Books and records	<b>1.30</b>	413.60	318.15
Fees and WIP	<b>2.70</b>	1,195.90	442.93
Statutory and compliance			
Budgets & Estimated outcome statements	<b>6.40</b>	2,122.60	331.66
Checklist & reviews	<b>6.75</b>	2,322.90	344.13
Closure and related formalities	<b>10.10</b>	3,438.70	340.47
Reports to debenture holders	<b>10.30</b>	3,856.60	374.43
Statutory receipts and payments accounts	<b>5.30</b>	1,250.80	236.00
Strategy documents	<b>4.70</b>	1,710.00	363.83
Tax			
Initial reviews - CT and VAT	<b>6.80</b>	1,604.80	236.00
Post appointment corporation tax	<b>10.20</b>	4,926.30	482.97
Post appointment VAT	<b>19.55</b>	6,061.40	310.05
<b>Creditors</b>			
Creditors and claims			
General correspondence	<b>2.85</b>	898.30	315.19
Secured creditors	<b>6.60</b>	2,536.40	384.30
Statutory reports	<b>34.30</b>	9,738.60	283.92
<b>Investigation</b>			
Directors			
Correspondence with directors	<b>0.20</b>	93.40	467.00
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	<b>2.60</b>	901.80	346.85
Debtors	<b>1.40</b>	538.30	384.50
Freehold property	<b>0.40</b>	186.80	467.00
Insurance	<b>0.30</b>	97.50	325.00
Leasehold property	<b>17.95</b>	6,637.20	369.76
Other assets	<b>2.00</b>	472.00	236.00
Rent	<b>2.80</b>	1,192.10	425.75
<b>Total in period</b>	<b>166.80</b>	<b>55,266.70</b>	<b>331.34</b>

**SIP 9 –Time costs analysis (17/02/2021 to 29/07/2021)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
Brought forward time (appointment date to SIP 9 period start date)	483.30	161,309.55	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	166.80	55,266.70	
Carry forward time (appointment date to SIP 9 period end date)	650.10	216,576.25	

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

## 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 6      Glossary

<b>Addleshaw Goddard/Solicitors</b>	Addleshaw Goddard LLP
<b>Avison Young</b>	Avison Young (UK) Limited
<b>Bank/HSBC/Secured Creditor</b>	HSBC UK Bank PLC
<b>Company</b>	Stelram Engineering Limited - in Administration
<b>Hilco</b>	Hilco Appraisal Limited
<b>Interpath/Interpath Advisory</b>	Interpath Ltd
<b>JLT</b>	JLT Specialty Limited
<b>Joint Administrators/we/our/us</b>	Howard Smith and James Lumb
<b>KPMG</b>	KPMG LLP
<b>Lupton Fawcett</b>	Lupton Fawcett LLP
<b>Period</b>	17 February 2021 to 29 July 2021
<b>Premises</b>	Long leasehold of the land and buildings on the south east side of Thornes Moor Road, Wakefield, occupied by the Company at the date of our appointment
<b>Proposals</b>	Joint Administrators Proposals, dated 24 September 2020
<b>SML/Purchaser</b>	Stelram Medical Limited

Any references in this progress report 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.

## Appendix 7      Notice: About this report

This report has been prepared by Howard Smith and James Lumb the Joint Administrators of Stelram Engineering Limited – in Administration (the ‘Company’) solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress 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.

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 person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its 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 this report to any such person.

Howard Smith and James Ronald Alexander Lumb 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 – [www.interpathadvisory.com/privacy-insolvency](http://www.interpathadvisory.com/privacy-insolvency).

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, Interpath Ltd 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.

**[www.interpathadvisory.com](http://www.interpathadvisory.com)**

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