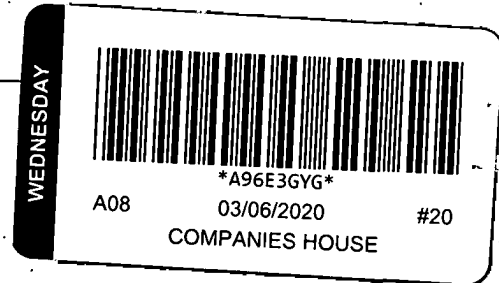


AM10

Notice of administrator's progress report



Companies House



1 Company details

Company number 0 3 7 8 8 6 0 9

Company name in full Anchor Bay Construction Products Limited

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

2 Administrator's name

Full forename(s) Stephen Gerard

Surname Clancy

3 Administrator's address

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester

County/Region Greater Manchester

Postcode M 2 1 E W

Country UK

4 Administrator's name ①

Full forename(s) Allan Watson

Surname Graham

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

5 Administrator's address ②

Building name/number 35

Street Newhall Street

Post town Birmingham

County/Region

Postcode B 3 3 P U

Country UK

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

AM10

Notice of administrator's progress report

6 Period of progress report

| | | | | | | | | |
|-----------|----|----|----|----|----|----|----|----|
| From date | d0 | d4 | m1 | m1 | y2 | y0 | y1 | y9 |
| To date | d0 | d3 | m0 | m5 | y2 | y0 | y2 | y0 |

7 Progress report☒ I attach a copy of the progress report**8** Sign and dateAdministrator's
signature

Signature

X



X

Signature date

| | | | | | | | |
|----|----|----|----|----|----|----|----|
| d0 | d2 | m0 | m6 | y2 | y0 | y2 | y0 |
|----|----|----|----|----|----|----|----|

AM10

Notice of administrator's progress report



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 **Caroline Sheard**

Company name **Duff & Phelps Ltd.**

Address **The Chancery**

58 Spring Gardens

Post town **Manchester**

County/Region

Postcode

M 2 1 E W

Country **UK**

DX

Telephone **0161 827 9000**



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 or email enquiries@companieshouse.gov.uk

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Progress Report to Creditors

2 June 2020

Anchor Bay Construction Products Limited (In Administration)

*Joint Administrators' Progress Report for the period from 4 November 2019
to 3 May 2020*

Duff & Phelps Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW

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1. Introduction

The Joint Administrators were appointed on 4 November 2019 by the Directors of the Company.

This progress report provides an update on the Administration of the Company and it should be read in conjunction with the Joint Administrators' Statement of Proposals.

The Joint Administrators' Statement of Proposals was issued to the Company's creditors on 24 December 2019 and are available to view at www.duffandphelps.com/ukrestructuring and paper copies can be provided free of charge by writing to Caroline Sheard, Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

The Joint Administrators have also explained their future strategy for the Administration and how likely it is that they will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs the Joint Administrators have incurred.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 8.

Please also note that an important legal notice about this progress report to creditors is attached at Appendix 9.

2. Creditor summary

This progress report covers the period from 4 November 2019 to 3 May 2020.

2.1 Summary of Proposals

- Please refer to Appendix 2 for a copy of the Joint Administrators' approved Proposals. There were no amendments to, or deviations from, these Proposals and they were deemed to be approved by creditors on 16 January 2020.
- As previously advised, the Joint Administrators are performing their functions with the purpose of achieving the second objective in an Administration, being to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, without first being in Administration.
- The Joint Administrators consider that the third objective has been achieved on the basis that a distribution to the Secured Creditor has taken place which has seen their debt, including interest and charges repaid in full.

2.2 Progress to date

- The Joint Administrators took control of the Company's assets and continued to trade the business from the Appointment Date until the 25 November 2019, whilst a sale of the business and assets was pursued. It is currently anticipated that the trading surplus will be in the region of £300,000. Attached at Appendix 3, the Trading Receipts and Payments Account show that £121,433 has been received to date. The Joint Administrators are still to collect final trading receipts and finalise outstanding trading costs.
- As detailed in the Proposals, the Joint Administrators marketed the Company's business and assets. Unfortunately, the Joint Administrators did not receive any meaningful offers for a sale of the business as a going concern that could complete within the short timeframe.
- Accordingly, the Joint Administrators took the decision to commence an orderly wind-down of the business, with the view to maximising the value of the Company's stock and collecting the book debt ledger as part of the process.
- The collection of the book debt ledger has allowed the Secured Creditor to be repaid in full, with the surplus being transferred to the administration estate. A surplus of £465,551 has been received outside of the Reporting Period and therefore is not shown in the attached Receipts and Payments account. Collection of the book debt ledger is still ongoing and there will be further receipts in this regard.
- The sum of £167,254 has been realised in respect of the Company's assets that have been sold via auction.

2.3 Outcome for Creditors

- The Secured Creditor has been repaid in full, from the collection of the Company's book debts.
- It is anticipated there will be sufficient realisations to enable the Company's Preferential Creditors to be repaid in full.
- Subject to the successful collection of the outstanding pre-appointment book debts and the finalisation of the trading surplus, it is anticipated that there will be sufficient asset realisations to enable a distribution to Unsecured Creditors. A further update will be provided in the next report to creditors.

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

3. Progress of the Administration

This section provides an update on the Joint Administrators' strategy for the Reporting Period.

3.1 Strategy and progress to date

The Joint Administrators took control of the Company's assets and continued to trade the business whilst a sale of the business and assets of the Company was pursued.

It was established that the continuation of trade, alongside a parallel process to market the Company's business and assets for sale, would maximise realisations for creditors.

The Joint Administrators undertook a full review of operations, which included staffing levels and made the decision to make 42 members of staff redundant on the Appointment Date. The remainder of the employees were retained in order to assist the Joint Administrators with day to day trading operations and book debt collection.

In addition to the above the Joint Administrators had been advised by the management team that the rent had been paid up to the 24 December 2019 for the Erith and Leeds sites and to the end of November 2019 for the Wednesbury site.

As previously reported, the Joint Administrators did not receive any meaningful offers for a sale of the business as a going concern that could complete within a short timeframe. Full details of the marketing period were detailed in the Proposals.

Accordingly, the Joint Administrators took the decision to commence an orderly wind-down of the business, with the view to maximising the value of the Company's stock and collecting the book debt ledger as part of the process.

3.2 Asset realisations

Realisations during the Reporting Period are set out in the attached Receipts and Payments accounts at Appendix 3.

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

3.2.1 Administration Trading Period

As previously advised, the Joint Administrators continued to trade the Company from the Appointment Date until 25 November 2019 whilst performing an orderly wind-down of the business and assets.

The Company's sales staff assisted the Joint Administrators in completing sales until 21 November 2019 when they were made redundant. However, the Joint Administrators continued to complete sales, fulfil orders and arrange delivery of goods until 25 November 2019.

As of 21 November 2019, the Company's employees had been made redundant with the exception of four warehouse staff who would be utilised to assist the Agents with the movement of the remaining stock in preparation of the bulk sale being arranged. Details of the process can be found in the remainder of this report.

In addition, four accounts staff (including the credit controller) were retained until the 25 November 2019 to assist the Joint Administrators in finalising accounting matters and the continued collection of the book debts.

A Receipts and Payments Account has been prepared for the Trading Period and is enclosed at Appendix 3. In this regard, the Joint Administrators have the following comments:

- Sales achieved in the Trading Period total c.£849,000 (exclusive of VAT). A number of credits have since been raised due to rebates due to customers or relating to issued regarding quantity and / or quality of good delivered. During the Reporting Period, an amount of £543,522 (net) has been received.
- Trading costs are yet to be finalised, however, total trading costs for the Trading Period including business rates and the purchase of stock are estimated to be in the region of £490,000 exclusive of VAT.
- Therefore, after the application of estimated Administration sales, collections and the residual costs of the process, the Joint Administrators currently estimate that there will be a trading surplus in the region of £300,000. This excludes the Joint Administrators' time costs incurred in relation to the supervision of the Trading Period.

A further update will be provided in the next report.

3.2.2 Book Debts

According to the Company's books and records, the debtor ledger of the Company totalled £5,165,499 at the Appointment Date, including inter-company accounts totalling £312,866.

These debts were assigned to IGF under an invoice discounting agreement created on 14 September 2018.

IGF and the Joint Administrators, on behalf of the Company, engaged Meteora Properties Limited on the 11 December 2019 to assist with the book debt collection process on a success fee basis. The collection fee being payable from any surplus funds available upon IGF being repaid in full.

During the Reporting Period, IGF has been repaid in full. A surplus of £465,552 has been collected which has been received by the Joint Administrators outside the Reporting Period. Therefore, the surplus is not detailed in the Receipts and Payments Account at Appendix 3.

A sum of £134,444 (exclusive of VAT) has also been paid to Meteora Properties Limited, outside of the Reporting Period in respect of the debt collections to date.

The sum of £83,000 has been received in full and final settlement in respect of the inter-company debt. This has been received outside of the Reporting Period and therefore is not detailed in the Receipts and Payments Account at Appendix 3.

The book debt ledger continues to be collected and a further update will be provided in the next report.

3.2.3 Motor vehicles

As previously reported, the Company owned 17 trucks across the three sites on the Appointment Date. These were used by the Company to deliver products directly to customers.

In addition, the Company had two further trucks and 9 cars that were subject to lease and/or hire purchase agreements. These have subsequently been returned to the relevant financiers or lease companies.

The Joint Administrators were unable to utilise the trucks in the Trading Period due to the automatic cessation of the Company's Operators' License on appointment. The Joint Administrators, therefore, instructed the Agent to assist them with realising the vehicles once it was confirmed that no going concern sale of the Company's business and assets would be achieved.

It was quickly established that two of the trucks were in the process of being repaired at a local garage, which was owed a significant sum by the Company. Following an assessment of the value of the trucks

versus the amount owed to the garage, the decision was made to abandon these trucks as their value did not exceed the amount owed to the garage. It is anticipated, however, that the garage will facilitate a sale of the trucks in partial settlement of their claim against the Company.

In respect of the remaining trucks, the Agent conducted an online auction achieving truck sales totalling £57,950 plus VAT. The funds have been received from the Agents and are included in the Receipts and Payments account under the heading Assets Realised at Auction.

There will be no further realisations from this source.

3.2.4 Stock

As at the Appointment Date, the Company held stock with an estimated cost value of c.£2,240,000 across the three sites. However, the Joint Administrators identified deficiencies in the accuracy of the stock list which also did not indicate stock that was expired or obsolete. Given the volume of stock together with the number of unique stock lines, it was not possible for the Joint Administrators to identify and revalue obsolete stock which was instead dealt with as and when required during the sale process.

As discussed above, the Joint Administrators sought to sell the stock during the Trading Period with assistance from the Company's sales team. Whilst a buyer for the Company's business and assets was sought, the sales staff were instructed to pursue sales at a discounted rate albeit above cost value. Following the decision to commence an orderly wind down of the business, the Joint Administrators instructed the sales staff to identify and target key customers with a view to achieving bulk sales of the stock at discounted values. Accordingly, during the Trading Period the Joint Administrators secured stock sales totalling c.£540,000. (in respect of the cash and credit card sales) of which the credit card sales totalled £260,000.

In order to incentivise the sales team to maximise realisations, the Joint Administrators agreed a 5% commission on sales achieved during the Trading Period. A sum of £24,900 has been paid in this regard.

Also, the Joint Administrators conducted a review of the Company's stock profile and identified that a significant proportion of the stock may have been subject to ROT. Accordingly, 44 creditors enquired about ROT. The cost value of the stock subject to ROT claims was estimated to be approximately £1,500,000. This required the Joint Administrators to spend a considerable amount of time during the Trading Period reviewing and adjudicating upon these claims.

A number of suppliers were assessed to have valid claims and were given permission to collect stock from the Company's sites to mitigate their creditor position. The cost value of the stock collected was c.£400,000. In addition, the Joint Administrators negotiated deals to purchase certain ROT stock with a cost value of c.£600,000 for c.£286,000 with the intention to sell this stock to parties who expressed an interest. The deals, together with the return of stock have mitigated ROT creditor claims by c.£1,000,000.

Payments of £293,400 have been paid to suppliers in settlement of the above. Payments made to date can be found in the Trading Receipts and Payments Account. No further payments to stock suppliers are to be expected.

Following cessation of the Trading Period, the Joint Administrators instructed the Agents to facilitate a sale of the remaining stock via aggregated auction lots.

The monies received in respect of the stock sold via auction is detailed in the Receipts and Payments Account under the heading Assets Realised at Auction.

The sales conducted by the Agents are in addition to the sales achieved by the Joint Administrators during the trading / wind down period as discussed above.

There will be no further realisations from this source.

3.2.5 Cash at bank

As at the Appointment Date, the Company had cash at bank of £56,268 held at NatWest. These funds were transferred to the Administration bank account.

There will be no further realisations in this regard.

3.2.6 Brand and IPR

As detailed in the Proposals, the Joint Administrators along with Agents undertook extensive marketing of the assets of the Company.

The Company's brand name and intellectual property rights were sold to Anchor Bay Construction Accessories (Ireland) Limited, who we understand are connected to the Company by way of common directorship and shareholding.

The Joint Administrators, having considered the principles of the Insolvency Code of Ethics, SIP13 and the statutory duties of an office holder, believe that the sale to the connected party is the most appropriate option in the circumstances and is justified having due regard for creditors' interests.

In accordance with SIP 13, the details of the transaction are set out in the table below;

| | | |
|----|--|--|
| a. | Date of transaction; | Date of invoice 21 April 2020 |
| b. | Details of assets sold; | The Company Name and IPR |
| c. | Nature of transaction; | The assets were sold by way of an invoice. |
| d. | Amount of the consideration and when it was paid; | £12,000 was paid on upon receipt of the invoice and received in the 15 May 2020. |
| e. | Name of purchaser and the connection with the Company; | Anchor Bay Construction Accessories (Ireland) |

The sum of £12,000 realised in respect of the Company's brand and intellectual property rights has been received outside of the Reporting Period and therefore is not reflected in the Receipts and Payment Account.

As far as the Joint Administrators are aware the purchaser did not take legal advice concerning this transaction.

No further realisations are expected in this regard.

3.2.7 Other assets

The Company owned IT and office equipment as well as a small amount of plant, equipment and racking across the three sites.

To date, the Joint Administrators have facilitated the sales of these tangible assets for a total sum of £6,600.

As detailed in the Proposals, in respect of the remaining assets, the Joint Administrators instructed the Agents to assist with realising these assets. The assets were included in the items sold assets realised at auction as detailed in Appendix 3.

No further realisations are expected in this regard.

3.2.8 Investigations

The Joint Administrators 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.

The Joint Administrators have a statutory obligation to file a report with DBEIS concerning the conduct of all directors of the Company that served in the three years prior to the Joint Administrators appointment. The Joint Administrators have filed their confidential report with DBEIS regarding the conduct of the Directors of the Company. The content of this report is confidential and has been submitted to the Insolvency Practitioners Compliance Unit.

There are no outstanding lines of enquiry.

3.3 Costs

Payments made in the Reporting Period are set out in the attached Receipts and Payments account at Appendix 3.

The Joint Administrators' choice of professional advisers and service firms is based on their perception of the respective firms to perform the work, the complexity and nature of the assignment and the basis of their fees.

Summaries of the most significant payments during the Administration are provided below:

3.3.1 Agents / Valuers Fees

SIA were instructed to value the Company's assets and assist with the sales through private treaty and auction. Fees in the sum of £62,265, inclusive of disbursements, have been paid.

3.3.2 Storage Costs

The Joint Administrators have a statutory obligation to retain the Company's books and records for a period of six years.

As at the date of this report £5,468 has been paid. These charges include the purchase of storage boxes, collection of the books and records from the Company's premises and storage costs incurred to date.

A further update will be provided in the next report to creditors.

3.3.3 Sales Commission

As detailed in the Proposals, in order to incentivise the sales team to maximise realisations, the Joint Administrators agreed a 5% commission on sales achieved during the Trading Period. A sum of £24,900 has been paid in this regard.

There will be no further fees payable in this regard.

3.3.4 Debt Collection Costs

As detailed earlier in his report, a third party, Meteora Properties Limited were engaged to assist with the book debt collection process on a success fee basis.

As at the date of this report the sum of £134,444 has been paid to Meteora Properties Limited in respect of debt collection costs. It should be noted that this has been paid outside the Reporting Period and is therefore not reflected in the Receipts and Payments Account at Appendix 3.

A further update will be provided in the next report to creditors.

3.3.5 Rents Payable

£2,167 has been paid in the landlords of the Company's Trading Premises in respect of the rents due.

No further rental payments are anticipated as the Company is no longer in beneficial occupation of the Trading Premises.

3.3.6 Insurance of Assets

To date the sum of £3,900 has been incurred in respect of the insurance of the Company's assets. This has been paid outside of the Reporting Period and therefore is not reflected in appendix 3.

A further update will be provided in the next report to Creditors.

3.4 Schedule of expenses

The Joint Administrators have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached at Appendix 4.

Legal fees have been incurred during the Reporting Period, that are yet to be paid.

A further update regarding expenses will be provided in the next report to creditors.

4. Outcome for Creditors

4.1 Secured Creditors

In consideration for the monies advanced under the invoice discounting agreement the Company granted IGF a debenture, which confers fixed and floating charges over all of the assets of the Company, created and registered on 14 September 2018.

As at the Appointment Date, the Company's indebtedness to IGF was approximately £3,016,077, subject to accruing interest and charges, as applicable.

The realisation of book debt collections to date has resulted in the total indebtedness to IGF being repaid in full inclusive of termination fees and other management charges.

The termination fee applied to the facility by IGF was £129,499 plus VAT of £25,890. The VAT will be reclaimed for the benefit of the insolvent estate.

4.2 Preferential Creditors

The Company's employees are in the process of submitting their claims to the RPS and a subrogated claim will then be made by the RPS following payment of the claims.

Pursuant to the SOA, the estimated preferential claims are £23,701, which primarily comprises unpaid holiday as all employees were paid up to the date of Administration.

It is anticipated that there will be sufficient realisations to enable a distribution to be made to the preferential creditors.

A further update regarding a potential distribution will be provided within the next progress report.

4.3 Unsecured Creditors

According to the Directors' Statement of Affairs Unsecured Creditors total £4,132,883 and claims received to date total £2,746,757. As detailed in Section 3.2.4 of this report deals made by the Joint Administrators

and the Company's suppliers of stock, together with the return of stock have mitigated ROT creditor claims by c.£1,000,000.

Any distribution to Unsecured Creditors is subject to the successful collection of the outstanding pre-appointment book debt, finalising the trading surplus and discharge of the costs of the Administration.

If not already done so, Creditors of the Company should complete the appropriate proof of debt form and return this to the Joint Administrators at Duff & Phelps Ltd, The Chancery, 58 Spring Garden, Manchester, M2 1EW.

A copy of the Proof of Debt Form is available to download at www.duffandphelps.com/ukrestructuring..

An update will be provided in the Joint Administrators' next progress report.

4.4 Prescribed part

The Company granted a floating charge to IGF on 14 September 2018 and the Prescribed Part provisions are applicable. However, IGF has been repaid in full under the terms of its fixed charge, there will be no requirement to make a distribution under the Prescribed Part.

5. Other matters

5.1 Decision procedure

The Joint Administrators are not seeking a decision from creditors in connection with this report.

5.2 Creditors' Committee

A Creditor Committee was not established as there were insufficient nominations received by the Joint Administrators.

5.3 Joint Administrators' Receipts and Payments account

A detailed Receipts and Payments account for the period 4 November 2019 to 3 May 2020 is shown in Appendix 3, together with a cumulative account for the whole of the Administration.

5.4 Creditors' rights

Further information regarding the remuneration and disbursements of the Joint Administrators, including Creditors' rights to challenge such costs is provided at Appendix 7, Statement of Creditors Rights.

6. Joint Administrators' fees and expenses and pre-Administration costs

6.1 Fees and expenses

The general body of creditors approved the following resolutions at 23:59 on 16 January 2020.

- That the Joint Administrators' remuneration be fixed by reference to time properly given by them and their staff in attending to matters arising from the Administration.
- That the Joint Administrators' Fee Estimate in the total sum of £509,670 be approved.
- That the Joint Administrators' be authorised to draw their company's internal costs and expenses in dealing with the Administration, including category 2 Disbursements.

6.1.1 Time costs

Upon a review of our hourly rates, inflation and industry averages, Duff & Phelps' hourly charge out rates have been revised to reflect market rates. Rate changes apply to all appointments held by employees of Duff & Phelps with effect from 1 February 2020.

| | |
|--------------------------|-----------|
| | £ |
| Managing Directors | 650 - 750 |
| Managers/Directors | 390 - 665 |
| Seniors | 250 - 380 |
| Assistants/Support Staff | 50 - 200 |

Time has been charged in six-minute units. Details of the time charged for the Reporting Period are attached at Appendix 5.

Time costs incurred in the reporting period total £649,247, which represents 2,109 hours at an average hourly rate of £308. It should be noted that the current time costs incurred to date has exceeded the original fee estimate of £509,670 as discussed above.

In accordance with SIP 9, the Joint Administrators have provided further narrative detail of the time costs incurred at Appendix 6.

6.1.2 Fees

In the reporting period, the Joint Administrators have drawn remuneration of £200,000 in accordance with the fee approval by the general body of creditors on 16 January 2020.

The remainder of the Joint Administrators remuneration, up to the value of the fees approved have been drawn outside the Reporting Period.

It is anticipated that a further £50,000 of time costs will be incurred in progressing the Administration following a revision to Duff & Phelps' hourly charge out rates, we anticipate that our total time costs will be in the region of £710,000, inclusive of time incurred in dealing with a Preferential distribution.

Details of the total fees drawn by Joint Administrators are detailed in the Receipts and Payments account attached at Appendix 3.

6.1.3 Expenses

Details of the expenses charged for the Reporting Period are attached at Appendix 4.

Expenses incurred in the Reporting Period total £205,372 of which £68,338 has been paid in the Reporting Period. Trading expenses incurred in the reporting period total £471,428 of which £422,506 have been paid during the Reporting Period.

6.1.4 Disbursements

In the Reporting Period, the Joint Administrators have incurred disbursements of £9,017 for services provided by Duff & Phelps (defined as Category 2 Disbursements in the Statement of Insolvency Practice 9).

These disbursements have been paid in full in accordance with the fee approval by the general body of creditors on 16 January 2020.

The Joint Administrators' expenses and disbursements are detailed at Appendix 5.

6.1.5 Additional information

Also attached at Appendix 6 is a narrative summary of the work carried out to assist Creditors in understanding the progress of the Administration, the associated costs and expenses of the related activities and the financial benefit to Creditors.

Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is set out in Appendix 7.

6.2 Pre-Administration costs

Pre-Administration costs are fees, charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the Company entered Administration but with a view to it doing so.

Duff & Phelps incurred pre-Appointment time costs of £24,682 representing 63 hours at an average hourly rate of £394.

The majority of this time relates to planning for the Administration and corresponding with the Directors and IGF in respect of the options available.

It was necessary to incur pre-Administration time costs to ensure the Joint Administrators developed a strategy for the proposed appointment.

| Pre-Administration costs | | | |
|------------------------------|-----------|----------------|----------------|
| | Paid (£) | Unpaid (£) | Total (£) |
| Duff & Phelps' Fees | 0 | £24,682 | £24,682 |
| Duff & Phelps' disbursements | 0 | 635 | 635 |
| Gowlings | 0 | £6,411 | 6,411 |
| Gowlings disbursements | | 57 | 57 |
| Total | £0 | £31,785 | £31,785 |

Details of the Pre-Administration costs were reported in the Joint Administrators' Proposals. On 16 January 2020 the Pre-Administration costs were approved by the general body of creditors, to be paid out of the assets of the Company.

7. Future strategy

7.1 Future conduct of the Administration

The Joint Administrators will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the Administration. This will include but not be limited to:

- Finalising the Trading Period;
- Paying outstanding costs of the Administration;

- Moving the Company into CVL;
- Paying a dividend to Preferential creditors;
- Assess scope to enable a distribution to the Unsecured creditors;
- Dealing with other statutory matters and duties including accounting for VAT and completing corporation tax returns, dealing with the transfer of the estate and the move from Administration to CVL.

7.2 Extension of the Administration

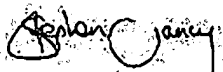
An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the Creditors' consent.

At this stage it is not anticipated that an extension to the Administration will be necessary.

7.3 Future reporting

The Joint Administrators will provide a further progress report within one month of 3 November 2020 or earlier if the Administration has been completed prior to that time.

If you require further information or assistance, please do not hesitate to contact Caroline Sheard.



Stephen Clancy
Joint Administrator

Enc.

The affairs, business and property of the Company are being managed by the Joint Administrators, Stephen Gerard Clancy and Allan Watson Graham, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1 – Statutory information

COMPANY INFORMATION

Company and trading name Anchor Bay Construction Products Limited

Date of incorporation 14 June 1999

Registered Number 03788609

Company Director(s) Chay Kinslow
Peter James Raybould
John Neville Whitfield

Company Secretary Peter John Raybould

Shareholders Threesixty Holdco 1 Limited

Trading address Kent
Building B and C,
Centurion Way,
Erith,
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DA18 4AF

Midlands
Unit 3
Western Way Industrial Estate
Wednesbury
WS10 7BW

Leeds
Unit 10-11,
Maybrook Industrial Estate
Leeds
LS12 2EL

Registered office **Current:** The Chancery
58 Sprng Gardens
Manchester
M2 1EW

Former: Building B and C,
Centurion Way,
Erith,
England
DA18 4AF

Any Other trading names None

ADMINISTRATION INFORMATION

| | |
|---|--|
| Administration Appointment | The Administration appointment granted in the High Court of Justice, Business and Property Courts in Birmingham, Insolvency and Companies List (ChD). Court case number CR-2019-BHM-000867 |
| Appointor | The Directors |
| Date of Appointment | 4 November 2019 |
| Joint Administrators | Stephen Gerard Clancy Allan Watson Graham |
| Original purpose | Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration). |
| Functions | The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1 |
| Current Administration expiry date | 3 November 2020 |
| Prescribed part | The prescribed part is not applicable in this case. |
| Application of EC Regulations | EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations. |

Appendix 2 – Approved Proposals

Proposals

- That the Joint Administrators continue to deal with such outstanding matters in relation to the Administration of the Company as the Joint Administrators consider necessary until the Administration ceases to have effect.
- That the Joint Administrators do all such other things and generally exercise all their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.
- That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Company has no remaining property which might permit a distribution to its creditors, at which stage the Administration will cease.
- That the Joint Administrators, where they consider that there are funds available to be distributed to the Unsecured Creditors (other than under the prescribed part) take the necessary steps to put the Company into either Creditors' Voluntary Liquidation or into Compulsory Liquidation as they deem appropriate. It is proposed that the Joint Administrators, currently Allan Watson Graham and Matthew Ingram of Duff & Phelps would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 3.60(6)(b) of the Rules creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of these proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators and in accordance with Section 231 of the Act any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.
- That the Creditors' Committee is established only sufficient nominations are received by the Decision Date.
- That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing.
- That the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- That the Joint Administrators' Fee Estimate in the total sum of £509,760 is approved.
- That the Joint Administrators be authorised to draw their company's internal costs and expensed during the Administration, including Category 2 Disbursements.

Appendix 3 – Receipts and Payments account

Anchor Bay Construction Products Limited (In Administration) Joint Administrators' Trading Account

| Statement of Affairs £ | From 04/11/2019 To 03/05/2020 £ | From 04/11/2019 To 03/05/2020 £ |
|-------------------------------|---------------------------------------|---------------------------------------|
| POST APPOINTMENT SALES | | |
| Sales | 514,708.45 | 514,708.45 |
| Credit card sales | 28,813.28 | 28,813.28 |
| | 543,521.73 | 543,521.73 |
| PURCHASES | | |
| Stock Purchases | 293,399.66 | 293,399.66 |
| IT Costs | 900.00 | 900.00 |
| | (294,299.66) | (294,299.66) |
| TRADING EXPENDITURE | | |
| Employee Benefit Scheme | 629.52 | 629.52 |
| Site Cleaning Services | 2,203.56 | 2,203.56 |
| Rents | 2,167.00 | 2,167.00 |
| Heat & Light | 887.39 | 887.39 |
| Carriage | 5,852.70 | 5,852.70 |
| Professional Fees | 1,170.00 | 1,170.00 |
| Lease/HP Payments | 1,700.55 | 1,700.55 |
| Other Payroll & Finance Costs | 410.00 | 410.00 |
| Repairs & Maintenance | 1,253.59 | 1,253.59 |
| Sundry Expenses | 478.24 | 478.24 |
| Vehicle Running Costs | 225.49 | 225.49 |
| Security Costs | 9,236.50 | 9,236.50 |
| Net Wages | 46,288.44 | 46,288.44 |
| PAYE NI | 13,142.40 | 13,142.40 |
| Sales Commissions | 24,900.00 | 24,900.00 |
| Employees Expenses | 955.84 | 955.84 |
| Pension | (155.04) | (155.04) |
| Credit Card Commissions | 942.70 | 942.70 |
| Sub Contractors | 3,140.00 | 3,140.00 |
| Ransom Payments | 12,359.80 | 12,359.80 |
| | (127,788.68) | (127,788.68) |
| TRADING SURPLUS/(DEFICIT) | 121,433.39 | 121,433.39 |

Anchor Bay Construction Products Limited (In Administration)

Joint Administrators' Summary of Receipts & Payments

| Statement of Affairs | From 04/11/2019 To 03/05/2020 | From 04/11/2019 To 03/05/2020 |
|---|-------------------------------|-------------------------------|
| £ | £ | £ |
| SECURED ASSETS | | |
| 4,250,000.00 Book Debts | 83,015.95 | 83,015.95 |
| 8,500.00 Motor Vehicle | NIL | NIL |
| | 83,015.95 | 83,015.95 |
| ASSET REALISATIONS | | |
| Asset Realised at Auction | 167,254.35 | 167,254.35 |
| Bank Interest Gross | 634.06 | 634.06 |
| Cash at Bank | 56,267.95 | 56,267.95 |
| Cash in Hand | 662.01 | 662.01 |
| 3,000.00 Furniture & Equipment | 1,100.00 | 1,100.00 |
| 60,000.00 Motor Vehicles | - | - |
| 6,000.00 Plant & Machinery | 5,500.00 | 5,500.00 |
| 1,400,000.00 Stock | NIL | NIL |
| Sundry Refunds | 2,115.93 | 2,115.93 |
| Trading Surplus/(Deficit) | 121,433.39 | 121,433.39 |
| | 354,967.69 | 354,967.69 |
| COST OF REALISATIONS | | |
| Agents/Valuers Fees | 62,265.02 | 62,265.02 |
| Bank Charges | 230.02 | 230.02 |
| Data Room costs | 288.00 | 288.00 |
| Joint administrators' disbursements | 9,017.48 | 9,017.48 |
| Joint administrators' remuneration | 200,000.00 | 200,000.00 |
| Statutory Advertising | 87.48 | 87.48 |
| Storage Costs | 5,468.26 | 5,468.26 |
| | (277,356.26) | (277,356.26) |
| PREFERENTIAL CREDITORS | | |
| Employee Arrears/Hol Pay | NIL | NIL |
| UNSECURED CREDITORS | | |
| (2,822,903.00) Trade & Expense Creditor | NIL | NIL |
| | NIL | NIL |
| 2,880,896.00 | 160,627.38 | 160,627.38 |
| REPRESENTED BY | | |
| Floating/main current account | | 229,774.55 |
| General VAT control account | | (66,290.73) |
| Petty Cash Control Account | | 1,443.61 |
| VAT Bond | | (46,103.55) |
| VAT Receivable | | 41,803.50 |
| | | 160,627.38 |

Appendix 4 – Schedule of expenses

A summary of expenses incurred during the six months from appointment is set out below:

| Schedule of Expenses | Incurred and paid in the period (£) | Incurred in the period and not yet paid (£) |
|----------------------------|-------------------------------------|---|
| Expenses | | |
| Agents/Valuers fees | £62,265 | |
| Bank charges | £230 | |
| Book Debt Collection Costs | | £134,444 |
| Legal fees | | £2,590 |
| Storage costs | £5,468 | TBC |
| Statutory Advertising | £87 | |
| Data Room Costs | £288 | |
| VAT paid/payable | | |
| Total | £68,338 | £137,034 |

| Schedule of Trading Expenses | Incurred and paid in the period (£) | Incurred in the period and not yet paid (£) |
|--------------------------------|-------------------------------------|---|
| Trading Expense | | |
| Stock / ROT | 293,400 | |
| IT | 900 | |
| Haulage | 5,853 | |
| Hire | 1,700 | |
| PAYE/NI | 13,142 | 3,000 |
| Wages / Salaries | 46,289 | |
| Pension Deductions | | 2,300 |
| Private Medical | 660 | |
| Subcontractors | 3,140 | |
| Motor Vehicles – running costs | 225 | 1,000 |
| Sundry costs | 478 | |
| Payroll costs | 645 | |
| PDQ costs | 2,113 | |
| Business Rates | | 9,000 |
| Rent | 2,167 | |
| Sales Commission | 24,900 | |
| Security Repairs & Maintenance | 10,489 | 4,509 |
| Staff Expenses | 955 | |
| Telephone | | 2,500 |
| Utilities | 887 | 9,113 |
| Insurance | | 15,000 |
| Site Clearance | 2,203 | |
| Ransom Creditor | 12,360 | |
| Contingency / Sundry | | 2,500 |
| Total | £422,506 | £48,922 |

The Joint Administrators choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and basis of their fee.

The above costs exclude VAT.

Appendix 5 – Analysis of time charged and expenses incurred

Refer to the table below for a detailed breakdown on the Joint Administrators' time and cost summary in accordance with SIP 9.

| ANCHOR BAY CONSTRUCTION PRODUCTS LIMITED (IN ADMINISTRATION) | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|---------------|-----------------|-------------------|-------------------|
| JOINT ADMINISTRATORS' ANALYSIS OF TIME COSTS FOR THE PERIOD 04/11/2019 to 03/05/2020 | | | | | | | | |
| Classification of Work Function | Managing Director | Manager | Hours Senior | Assistant | Support | Total Hours | Time Cost £ | Avg Hourly Rate £ |
| | 0.00 | 0.00 | 0.00 | 7.00 | 0.00 | 7.00 | 1,645.00 | 235.00 |
| Administration and Planning | | | | | | | | |
| Case review & Case Diary | 117.10 | 3.00 | 7.50 | 6.50 | 0.00 | 134.10 | 71,226.50 | 531.14 |
| Cashiering & accounting | 0.00 | 20.50 | 58.90 | 92.75 | 0.00 | 172.15 | 43,621.00 | 253.39 |
| Dealings with Directors and | 0.00 | 0.80 | 0.00 | 0.20 | 0.00 | 1.00 | 412.00 | 412.00 |
| IPS set up & maintenance | 0.00 | 0.30 | 0.80 | 11.50 | 0.00 | 12.60 | 1,968.50 | 156.23 |
| Insurance | 0.00 | 0.10 | 1.40 | 9.25 | 0.00 | 10.75 | 2,152.50 | 200.23 |
| Statement of affairs | 0.00 | 2.80 | 2.30 | 3.95 | 0.00 | 9.05 | 2,471.00 | 273.04 |
| Statutory matters (Meetings & Reports & Notices) | 0.00 | 20.25 | 26.00 | 72.85 | 1.00 | 120.10 | 29,183.25 | 242.99 |
| Strategy planning & control | 13.00 | 65.70 | 32.20 | 32.00 | 0.00 | 142.90 | 53,436.25 | 373.94 |
| Tax Compliance / Planning | 0.00 | 0.40 | 0.70 | 0.10 | 0.00 | 1.20 | 468.00 | 390.00 |
| Creditors | | | | | | | | |
| Communications with Creditors / Employees | 0.00 | 6.20 | 25.60 | 58.00 | 0.00 | 89.80 | 20,739.75 | 230.95 |
| Non Pref Creditor claims adjudication & dist'n | 0.00 | 0.20 | 0.30 | 7.75 | 0.00 | 8.25 | 1,579.00 | 191.39 |
| Non Pref Creditors / Employee claims handling | 0.00 | 1.25 | 1.65 | 97.00 | 0.00 | 99.90 | 18,781.50 | 188.00 |
| Pref claims adjudication & Prescribed Part | 0.00 | 0.20 | 0.00 | 1.20 | 0.00 | 1.40 | 352.50 | 251.79 |
| Secured Creditors | 0.00 | 0.00 | 0.90 | 0.00 | 0.00 | 0.90 | 288.00 | 320.00 |
| | 0.00 | 13.40 | 0.00 | 0.00 | 0.00 | 13.40 | 6,244.00 | 465.97 |
| Investigations | | | | | | | | |
| CDDA & reports & Communication | 0.00 | 4.30 | 10.10 | 52.90 | 0.00 | 67.30 | 13,418.25 | 199.38 |
| Financial review and investigations (S238/239 etc) | 0.00 | 0.00 | 0.30 | 9.40 | 0.00 | 9.70 | 1,523.00 | 157.01 |
| Realisation of Assets | | | | | | | | |
| Book debts | 0.00 | 80.40 | 31.90 | 23.45 | 0.00 | 135.75 | 51,170.50 | 376.95 |
| Freehold and Leasehold Property | 0.00 | 2.00 | 14.40 | 0.00 | 0.00 | 16.40 | 5,644.00 | 344.15 |
| Goodwill and Intellectual Property | 0.00 | 1.70 | 0.00 | 0.00 | 0.00 | 1.70 | 756.00 | 444.71 |
| Hire Purchase and Lease Assets | 0.00 | 0.00 | 6.50 | 0.45 | 0.00 | 6.95 | 2,139.25 | 307.81 |
| Other Intangible Assets | 0.00 | 1.80 | 0.80 | 0.00 | 0.00 | 2.60 | 1,060.00 | 407.69 |
| Other Tangible Assets | 0.00 | 2.60 | 3.80 | 0.00 | 0.00 | 6.40 | 2,444.00 | 381.88 |
| Plant & Machinery & Fixtures & Motor Vehicles | 0.00 | 2.30 | 5.00 | 0.00 | 0.00 | 7.30 | 2,704.00 | 370.41 |
| Pre-Appointment Tax Reclaims | 0.00 | 1.50 | 0.00 | 0.00 | 0.00 | 1.50 | 630.00 | 420.00 |
| Sale of business | 1.50 | 8.10 | 16.60 | 26.35 | 0.00 | 52.55 | 14,591.50 | 277.67 |
| Stock & Work In Progress | 2.00 | 20.60 | 27.10 | 2.00 | 0.00 | 51.70 | 20,090.00 | 388.59 |
| Trading | | | | | | | | |
| Trading - Accounting | 0.00 | 37.85 | 41.80 | 20.55 | 0.00 | 100.20 | 32,805.75 | 327.40 |
| Trading - Employees | 0.00 | 15.90 | 26.40 | 65.65 | 0.00 | 107.95 | 25,938.25 | 240.28 |
| Trading - Hire Purchase Matters | 0.00 | 0.50 | 5.30 | 0.00 | 0.00 | 5.80 | 1,936.00 | 333.79 |
| Trading - Insurance | 0.00 | 0.20 | 0.50 | 0.90 | 0.00 | 1.60 | 385.50 | 240.94 |
| Trading - Operations | 0.00 | 106.80 | 154.40 | 153.05 | 0.00 | 414.25 | 124,974.50 | 301.69 |
| Trading - Retention of Title & Claims handling | 0.00 | 66.00 | 93.80 | 135.35 | 0.00 | 295.15 | 92,467.50 | 313.29 |
| Total Hours: | 133.60 | 487.65 | 596.95 | 890.10 | 1.00 | 2,109.30 | | 307.80 |
| Total Fees Claimed: £ | 75,704.00 | 220,964.75 | 194,165.75 | 168,232.25 | 180.00 | | 649,246.75 | |

We have incurred the following disbursements during the period 4 November 2019 to 3 May 2020

| SIP 9 - Disbursements | | | | | |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Disbursements | Category 1 | | Category 2 | | Totals (£) |
| | Paid (£) | Unpaid (£) | Paid (£) | Unpaid (£) | |
| Accommodation | | | | | |
| Courier and delivery costs | | | | | |
| Subsistence | £1,482 | | | | £1,482 |
| Postage | | | | | |
| Mileage | | | | | |
| Travel | £7,535 | | | | £7,535 |
| Total | £9,017 | | | | £9,017 |

Please note that this table includes expenses incurred by Duff & Phelps Ltd and is therefore unlikely to reconcile with the disbursements shown in the Schedule of Expenses.

Appendix 6 – Narrative of work carried out for the period to 3 May 2020

The key areas of work have been:

| SIP 9 narrative for the period 4 November 2019 to 3 May 2020 | |
|---|--|
| Administration and planning | <ul style="list-style-type: none"> • Monitoring and reviewing the Administration strategy; • Briefing staff on the Administration strategy and matters in relation to workstreams; • Regular case management and reviewing of process including regular team update meetings and calls; • Meeting with management to review and update strategy and monitor progress; • 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 various matters; • Complying with internal filing and information recording practices, including documenting strategy decisions; • Completing periodic case reviews; • Raising billing and payment of Professional fees / administration costs. |
| Creditors | <ul style="list-style-type: none"> • Updating the list of Unsecured Creditors; • Dealing with redundancies at the outset of appointment; • Submission of employee information to the RPS; • 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; and • Providing written and oral updates to the Secured Creditor regarding the progress of the Administration and cases strategy; • Liaising with Secured Creditor regarding entering into Deed of Assignment in respect of the sales ledger and the transfer of book debt surplus; • Dealing with Preferential Creditor queries and assisting with the submission of employee claims; • Requesting confirmation of RPS Preferential Claim; • Liaising with the RPS regarding payment of the employee claims; • Reconciliation of ROT creditor claims. |
| Investigations | <ul style="list-style-type: none"> • Managing and reviewing the Company books and records; • Investigating the affairs of the Company to identify any actions available to the Company against third parties in respect of antecedent transactions or other litigation; • Obtaining records from third parties; • Conducting interviews with counterparties and officeholders; • Reviewing pre-appointment transactions in line with SIP2; • Documenting investigations; • Liaising with Director regarding the intercompany balances and reaching a settlement. |

| | |
|--------------------------|--|
| Statutory and compliance | <ul style="list-style-type: none"> • Ensuring compliance with all statutory obligations within the relevant timescales; • Uploading information to the Creditors' Portal/Website; • Drafting the Proposals; • Running decision procedures; • Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9; • Monitoring the fees estimate; and • Monitoring the expenses estimate. |
| Cashiering | <ul style="list-style-type: none"> • Preparing statutory receipts and payments accounts; • Renewing bonding and complying with statutory requirements; • Preparation and submission of Journals. |
| Asset realisations | <ul style="list-style-type: none"> • Collating information from the Company's records regarding assets; • Liaising with finance companies in respect of assets subject to finance agreements; • Liaising with agents regarding the sale of assets; • Liaising with suppliers on retention of title claims; • Reviewing outstanding debtors and management of debt collection strategy; • Seeking legal advice in relation to book debt collections; • Communicating with landlords regarding rent, property occupation and other property issues; • Liaising with third parties regarding costs incurred; • Collecting and paying rent due on the Company's remaining premises; • Reviewing and agreeing invoices; • Reviewing costs incurred to ensure recorded accurately; and • Arranging payments to agents and solicitors in a timely manner; • Periodic strategic review of the outcome to creditors. |
| Trading | <ul style="list-style-type: none"> • Attending to supplier and customer queries and correspondence; • Reviewing invoices to ensure they correspond with the relevant purchase orders; • Raising payments to suppliers in respect of Administration costs; and • Contacting all suppliers to obtain final invoices for the trading period; • Dealing with general employee matters; • Redundancy of staff at the end of the Trading Period; • Submission of employee information to the RPS. |
| Tax | <ul style="list-style-type: none"> • Analysing and considering the tax effects of asset sales; • Instructing tax advisors; • Analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; and • Dealing with post appointment tax compliance; • Obtaining pre appointment tax records to assist with Corporation Tax matters. |

| | |
|------------------|--|
| Sale of Business | <ul style="list-style-type: none">• Setting up the data room for use during the marketing period;• Preparing Teaser document and circulation via Duff & Phelps' interested party database;• Review of interest received and liaising / negotiating with interested parties;• Updating major stakeholders of the business;• Seeking advice from the agents regarding offers received. |
|------------------|--|

Appendix 7 – Statement of Creditors' rights

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)

Section or paragraph numbers refer to Insolvency Act 1986

If you require a copy of any relevant rule or section, please contact Caroline Sheard at Caroline.Sheard@duffandphelps.com.

Information for Creditors on remuneration and disbursements of Administrators

Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at:

<https://www.duffandphelps.co.uk/-/media/assets/pdfs-international/uk/creditors-guide/administration-a-creditors-guide-to-insolvency-practitioner-fees-updated.ashx?la=en-gb&hash=007D99D0FCC2E1AAADA98AA36B09E2D94292DBA9>

(click on the document 'Administration (appointment from 1 October 2015)'). Should you require a copy, please contact this office.

Creditors' requests for further information

If you would like to request more information about the Joint Administrators' remuneration and disbursements 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 the Joint Administrators' 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 (including the Unsecured Creditors 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 Caroline Sheard at Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

Appendix 8 – Definitions

| Word or Phrase | Definition |
|----------------------------|--|
| the Act | The Insolvency Act 1986 (as amended) |
| the Agents / SIA | SIA Group Assets Ingenuity Ltd (Company number: 07371821) independent agents who were instructed to value and sell the assets of the Company |
| the Appointment Date | 4 November 2019, being the date of appointment of the Joint Administrators |
| the Bank / NatWest | National Westminster Bank plc, with whom the Company held commercial facilities |
| Category 2 Disbursements | The Joint Administrators' internal costs and expenses in dealing with the Administration |
| the Company | Anchor Bay Construction Products Limited (In Administration) (Company Number: 03788609) |
| CVL | Creditors' Voluntary Liquidation |
| DBEIS | Department for Business, Energy & Industrial Strategy |
| the Directors | Peter James Raybould, Chay Kinslow and John Neville Whitfield, the directors of the Company as at the Appointment Date |
| Duff & Phelps | Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester M2 1EW |
| EC Regulation | EC Regulation on Insolvency Proceedings 2000 |
| HMRC | HM Revenue and Customs |
| IGF / the Secured Creditor | IGF Business Credit Limited, with whom the Company had an invoice finance facility, and the holder of a fixed and floating charge over the Company's assets |
| the Joint Administrators | Stephen Gerard Clancy of Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester M2 1EW and Allan Watson Graham of Duff & Phelps Ltd., 35 Newhall Street, Birmingham, B3 3PU |
| the Reporting Period | The period from the 4 November 2019 to 3 May 2020 |
| the Prescribed Part | Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003, a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to Unsecured Creditors |
| ROT | Retention of Title, a Retention of Title clause is a provision in a contract for the sale of goods that the title to the goods remains vested in the seller until certain obligations are fulfilled by the buyer |
| RPS | Redundancy Payments Service |

| | |
|----------------------|--|
| the Rules | The Insolvency (England & Wales) Rules 2016 (as amended) |
| SIP 9 | Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements |
| SIP 13 | Statement of Insolvency Practice 13 – Industry best practice for Insolvency Practitioners in relation to the acquisition of assets of insolvent companies by Directors |
| SOA | Statement of Affairs, documentation supplied by the Director outlining the Company's financial position as at the Appointment Date |
| the Trading Period | The period in which the Joint Administrators traded the Company being 4 November 2019 to 25 November 2019 |
| the Trading Premises | Unit B and C, Centurion Way, Erith, DA18 4AF Unit 3, Western Industrial Estate, Wednesbury, WS10 7BW Unit 10-11, Maybrook Industrial Estate, Leeds, LS12 2EL |

Appendix 9 – Notice about this report

This report has been prepared by Stephen Gerard Clancy and Allan Watson Graham, the Joint Administrators of 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 purposes, or in any other context.

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

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 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 this report to any such person.

Stephen Gerard Clancy and Allan Watson Graham are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

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

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Duff & Phelps Ltd. does not assume any responsibility and will not accept any liability to any person in respect of this Progress Report or the conduct of the Administration.