

AM10

Notice of administrator's progress report



Companies House

TUESDAY



A07 *A9BOJ3WA* 18/08/2020 #88
COMPANIES HOUSE

1 Company details

Company number 0 5 5 8 9 5 2 1
Company name in full Stainless Handrail Systems Limited

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

2 Administrator's name

Full forename(s) Ryan Kevin
Surname Grant

3 Administrator's address

Building name/number C/o BDO LLP
Street Two Snowhill
Post town Birmingham
County/Region
Postcode B 4 6 G A
Country

4 Administrator's name ①

Full forename(s) Lee
Surname Causer

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

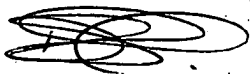
5 Administrator's address ②

Building name/number Two Snowhill
Street Snow Hill Queensway
Post town Birmingham
County/Region
Postcode B 4 6 G A
Country

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	d	2	d	1	m	0	m	1	y	2	y	0	y	2	y	0
To date	d	2	d	0	m	0	m	7	y	2	y	0	y	2	y	0
7		Progress report														
		<input checked="" type="checkbox"/> I attach a copy of the progress report														
8		Sign and date														
Administrator's signature	Signature 															
Signature date	d	1	d	7	m	0	m	8	y	2	y	0	y	2	y	0

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 **Ryan Kevin Grant**

Company name **BDO LLP**

Address **5 Temple Square**
Temple Street

Post town **Liverpool**

County/Region

Postcode **L 2 5 R H**

Country

DX

Telephone **01512 374 500**

**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

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

Stainless Handrail Systems Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 21/01/2020 To 20/07/2020 £	From 21/01/2020 To 20/07/2020 £
	FIXED CHARGE ASSETS		
195,000.00	Plant & Machinery	NIL	NIL
5,000.00	Goodwill	5,000.00	5,000.00
		<u>5,000.00</u>	<u>5,000.00</u>
	ASSET REALISATIONS		
54,973.00	Book debts	NIL	NIL
	Interest Gross	253.05	253.05
	Plant & Machinery	195,000.00	195,000.00
75,000.00	Stock	50,000.00	50,000.00
	Sundry Refunds	4,119.50	4,119.50
		<u>249,372.55</u>	<u>249,372.55</u>
	COST OF REALISATIONS		
	Administrators' Fees	25,000.00	25,000.00
	Administrators' Pre-Appointment Fees	28,310.00	28,310.00
	Agents' Fees & Disbs	4,162.40	4,162.40
	Bank Charges	45.00	45.00
	Post App Legal Fees & Disbs	4,780.00	4,780.00
	PR Costs	300.00	300.00
	Pre Appointment Legal Fees & Disbs	17,074.82	17,074.82
	Preparation of S.of A.	1,750.00	1,750.00
	Statutory Advertising	88.00	88.00
	Storage Costs	543.80	543.80
		<u>(82,054.02)</u>	<u>(82,054.02)</u>
	FLOATING CHARGE CREDTS		
(193,628)	Floating Charge (1)	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,308,285)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
(1,171,940)		172,318.53	172,318.53
	REPRESENTED BY		
	Fixed Current Account		158,665.01
	Input VAT		(57.47)
	Suspense Account		(2,672.96)
	Vat Control Account		16,383.95
			<u>172,318.53</u>



Tel: +44 (0)151 237 4500
Fax: +44 (0)151 237 4545
www.bdo.co.uk

5 Temple Square
Temple Street
Liverpool
L2 5RH

TO ALL KNOWN CREDITORS

17 August 2020

Our Ref STAINLESS/RG/DF/C1

Please ask for
David Forster
0151 237 4530
Email BRCMTMidlandsandBristol@bdo.co.uk

Dear Madams/Sirs

Stainless Handrail Systems Limited - In Administration ('the Company')

It is now six months since the appointment of Joint Administrators in respect of the Company. In accordance with Rule 18.6 of the Insolvency (England and Wales) Rules 2016, the Joint Administrators now report on the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration for the period from 21 January 2020 to 20 July 2020 ('the Period').

This report should be read in conjunction with the Joint Administrators' proposals ('the Proposals'), which were uploaded to the creditor portal on 29 January 2020.

1 Statutory Information

The Joint Administrators are Ryan Kevin Grant (officeholder number: 9637) and Lee Causer (officeholder number: 14112) both of BDO LLP, Two Snowhill, Snow Hill Queensway, Birmingham, B4 6GA. The Joint Administrators were appointed in respect of the Company on 21 January 2020.

Under the provisions of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the Joint Administrators carry out their functions jointly and severally meaning any action can be done by one Administrator or by both of them.

The Joint Administrators were appointed by the director of the Company pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986. The Administration proceedings are being dealt with in the High Court of Justice, Business and Property Courts in Birmingham, Insolvency and Companies List and the court case reference is 2020-BHM-000007.

The Company's registered office is situated at c/o BDO LLP, Two Snowhill, Snow Hill Queensway, Birmingham, B4 6GA and the registered number is 05589521.

2 Receipts & Payments

Enclosed within this report is a summary of receipts and payments to date, showing a balance in hand of £172,408.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

The Joint Administrators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Administration of Stainless Handrail Systems Limited. Please see the privacy statement at <https://www.bdo.co.uk/en-gb/legal-privacy/privacy-notice>

2.1 Receipts

The receipts shown are largely self-explanatory, however the Joint Administrators would comment specifically on the following.

Sale of the business and certain assets of the Company

As detailed in the Proposals, the Joint Administrators completed a sale of the business and certain assets of the Company to SHS Balustrades & Handrails Limited ('the Purchaser') for total consideration of £275,000. This was split as follows:

	Ex-situ/Liquidation valuation (£)	In-situ valuation (£)	Consideration (£)
Fixed charge			
Goodwill/Intellectual property/customers contracts	n/a	n/a	5,000
Leasehold premiums	n/a	n/a	
Total	n/a	n/a	5,000
Floating charge			
Unencumbered plant & machinery	47,000	91,000	195,000
Stock	15,000	33,000	75,000
Total	62,000	124,000	270,000
Total Consideration			275,000

Of the total consideration of £275,000, £250,000 was received on completion, with a further £25,000 deferred pending a stock count verification within five business days.

Under the terms of the sale agreement, the Joint Administrators agreed with the Purchaser that the deferred amount was not due for payment. This was due to the stock count verification exercise identifying a significant number of items that ought to be written down in value for obsolescence and/or damage.

Therefore, the consideration received and paid for stock remained at £50,000, and the total consideration for the transaction was £250,000.

License Fees & Rents Received in respect of the License to Occupy ('LTO')

As detailed in the Proposals, the Company operated from leasehold premises at Units E6/ E7 West Point, Middlemore Lane, West Aldridge, WS9 8BG.

On the date of completion, the Joint Administrators granted a LTO to the Purchaser for a six month period whilst the Purchaser negotiated directly with the landlord for an

assignment of the Company's lease. A licence fee equal to the passing costs under the Company's lease is due under the LTO.

Sundry Refunds

During the Period, £4,120 was received from Walsall Council in respect of a rates refund.

2.2 Payments

The payments shown are largely self-explanatory, with payments made in relation to the Joint Administrators' and legal advisors' pre and post appointment fees and expenses. These payments are discussed in further detail later in this report.

3 Costs in the Administration

Below is a summary of the post appointment professional fees and other expenses which have been paid during the Period, the costs which have been accrued and not yet paid and the costs that are anticipated. These relate to both pre and post appointment costs and additional detail is provided at section 4 in relation to pre-appointment costs only.

Professional Fees and Expenses	Accrued £	Paid £	Anticipated £
Freeths LLP and Pinsent Masons LLP - Legal Fees & Disbursements	23,580	21,857	1,723
Headland PR Consultancy LLP - Consultancy Fees & Disbursements	300	300	Nil
Clear Accountancy - Preparation of statement of affairs	1,750	1,750	Nil
Hilco Valuation Services and Lambert Smith Hampton - Agents' Fees	4,113	4,113	Nil
Total	29,743	28,020	1,723

Legal Fees

Freeths LLP

Freeths LLP have been paid £18,630 during the Period. These costs represent a balance of £13,850 in respect of pre-appointment fees, as reported in the Proposals, together with £4,780 for post appointment work in relation to their assistance with confirming the validity of the Joint Administrators' appointment, the validity of the secured creditors registered security and assistance with LTO matters. A further £1,723 of future costs are anticipated, which is slightly more than the £5,000 estimate provided for in the Proposals. The increase in fees is due to the additional advice sought in respect of the LTO. No further legal costs are anticipated.

Pinsent Masons LLP

Pinsent Masons LLP have been paid £3,225 in the Period. These costs represent the balance of fees incurred pre-appointment for drafting the appointment documents and legal advice provided to the Company. No post-appointment costs have been incurred, in line with the Proposals.

Consultancy Fees

Headland PR Consultancy LLP ('Headland') was instructed to assist with PR matters prior to the Administration, including the preparation of a reactive press statement.

Headland received £300 in the Period, which is less than the £750 estimate provided for in the Proposals.

Preparation of S. of A.

Clear Accountancy provided assistance in preparing the Company's Statement of Affairs and received a payment totalling £1,750 during the Period.

Agents Fees

Hilco Valuation Services ('Hilco')

During the Period a sum of £3,812 has been paid to Hilco in relation to their valuation of the Company's assets, including goodwill, stock, plant and machinery. Hilco's fees are in line with the original estimate provided to the Joint Administrators and no further costs are anticipated.

Lambert Smith Hampton ('LSH')

During the Period of sum of £350 has been paid to LSH in relation to their valuation of the leasehold premises. This valuation confirmed that no premium value was attributed to the lease. No further costs are anticipated.

4 Pre - Administration Costs

Certain costs were incurred in preparing and planning for the Administration. The creditors may under Rule 3.52 of the Rules approve those costs to be paid from the Administration estate as an expense of the Administration. The following costs were presented in the Proposals for approval and the Joint Administrators confirm these were all subsequently approved for payment from the requisite creditors.

The fees charged by the Joint Administrators

As outlined previously in the Proposals, there was £28,310 outstanding in respect of pre-appointment time. This sum has been paid in full, as shown on the enclosed receipts & payments account, following the requisite approval from the Company's creditors. No further pre-appointment fees are to be drawn in this matter.

The expenses incurred by the Joint Administrators

In preparation for the Administration the following disbursements and expenses have been paid in the Period:

Disbursements and Expenses	Accrued £	Paid £	Anticipated £
Hilco Appraisal Limited	3,813	3,813	Nil
Freeths LLP	13,850	13,850	Nil
Pinsent Masons LLP	3,225	3,225	Nil
Headland Consultancy	750	300	Nil
TOTAL	21,638	21,188	Nil

No further pre-appointment costs will be discharged in the Administration.

The Joint Administrators are not aware of any other person qualified to act as an insolvency practitioner having acted in relation to the Company immediately preceding the appointment of the Joint Administrators.

5 Future of the Administration

The Joint Administrators continue to carry out their statutory duties in order to achieve the second objective of the statutory purpose of an Administration to achieve a better result for the Company's creditors as a whole than if the Company were wound up.

The sale of the Company's business and certain assets to the Purchaser led to asset realisations that would not have been achieved had the Company been placed into Liquidation.

All assets of the Administration have been realised and the LTO completed outside of the reporting Period, with the Purchaser signing a new lease with the Landlord. The Joint Administrators will finalise all matters, including a full reconciliation of the LTO, a review of the tax position and will commence steps to agree and distribute the Prescribed Part. The Administration will then be progressed to closure.

6 Assets

The purchase consideration for all assets included in the sale has been received in full.

The sale of the Company's business and certain assets, as detailed in the Joint Administrator's Proposals, excluded any refunds or prepayments due to the Company.

I can confirm that there are no assets of a peculiar or special nature which cannot be sold. Consequently, there has been no distribution of unsold assets to creditors, as mentioned in Rules 18.10/14.13.

7 Investigations

The Joint Administrators have a duty to investigate the affairs of the Company to establish if there any actions that can be pursued for the benefit of investors and creditors as a whole, including investigations into the conduct of the Company officers (including de facto and shadow officers).

In this latter respect, the Joint Administrators must submit a confidential report to the Secretary of State regarding the conduct of all directors and shadow directors during three years preceding the Administration appointment and I can confirm a report has been submitted.

8 Extension of Administration

The Administration will automatically end on 21 January 2021 unless an extension is approved by the Company's creditors or by the court.

The Joint Administrators will review the Company's position closer to this time to determine if an application for an extension of the Administration will be required.

9 Prospects for Creditors

Secured Creditors

The following charges are registered at Companies House:

Type of Security	In favour of	Date of Creation	Date Registered
Fixed & Floating	AIB Group (UK) Plc	24 November 2017	1 December 2017
Fixed & Floating	Colmore Tang Construction Limited	24 November 2017	29 November 2017
Fixed & Floating	Mark Anthony Busby	24 November 2017	1 December 2017

AIB Group (UK) Plc ('the Bank') provided a loan and an overdraft facility to the Company and as at the date of appointment had secured debt in the region of £800,000. Colmore Tang Construction Limited holds security in respect to an equity investment of £200,000. Mark Busby is also a secured creditor and is owed in the region of approximately £1.3m in respect of deferred sale consideration.

Shortly after appointment, the Administrators' solicitors, Freeths LLP, formally confirmed the validity of the Administrators' appointment and the validity of the secured creditors' registered security. It was also confirmed that the inter-creditor deed dated 24 November 2017 entered into by the secured creditors, provides the Bank with first ranking priority over the other secured creditors.

Based on current information, the Bank will recover approximately £100,000 and will therefore suffer a shortfall. There will be no funds available for the other secured creditors.

Preferential Creditors

Preferential creditor claims represent monies due to former employees in respect of certain arrears of wages (capped at £800 per employee), any accrued holiday pay and certain pension arrears.

To date, no preferential claims have been received and as all employees transferred to the Purchaser, the Joint Administrators do not anticipate any preferential claims in the Administration.

Unsecured creditors

The creditors' claims notified to date total approximately £890,273. It is not the duty of the Joint Administrators to adjudicate on the claims of unsecured creditors. Based on present information, there will be insufficient funds to make a distribution to the unsecured creditors in the Administration other than by virtue of the Prescribed Part.

Under the provisions of Section 176A of the Insolvency Act 1986, the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where a company has granted a floating charge to a creditor after 15 September 2003.

The Company has granted a floating charge after 15 September 2003 and therefore the Prescribed Part provisions will apply in this Administration.

Based on present information, the Joint Administrators estimate that after allowing for costs the value of the Company's net property will be approximately £121,000 which would mean a Prescribed Part in the region of £27,000.

10 Joint Administrators' Remuneration

The Joint Administrators were obliged to fix their remuneration in accordance with Rule 18.16. This permits remuneration to be fixed either:

- (1) As a percentage of the assets realised and distributed; and/or
- (2) By reference to the time the Joint Administrators and the staff have spent attending to matters in the Administration; and/or
- (3) As a set amount; and/or
- (4) As a combination of the above.

As there are insufficient funds to enable a distribution to the unsecured creditors in this Administration other than by virtue of the Prescribed Part, and paragraph 52(1)(b) of Schedule B1 to the Act applies, the Joint Administrators' remuneration is subject to the approval of the Company's secured creditors.

The Company's secured creditors have approved the Joint Administrators' remuneration on a time costs basis as set out in their Fees Estimate in the Proposals.

Attached is a schedule detailing the time costs incurred to date. The schedule covers the Period and records time costs of £43,168, which represents 200 hours, spent at an average charge out rate of £216 per hour.

Since the date of appointment, a sum of £25,000 has been drawn in relation to the Joint Administrators' remuneration as shown on the enclosed receipts and payments account.

Also attached is the Joint Administrators' Fees Estimate annotated with a column showing the time costs accrued in respect of each activity together with a detailed description of the work undertaken.

For guidance, enclosed is a document that outlines the policy of BDO LLP in respect of fees and disbursements.

11 Joint Administrators' Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Category 1 disbursements totalling £865 have accrued in the Period in relation to printing and postage costs related to notifying relevant parties of the Joint Administrators' appointment.

Some Administrators recharge expenses, for example printing, photocopying and telephone costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements.

The policy of BDO LLP in respect of this appointment is not to charge any category 2 disbursements with the exception of mileage on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors. No category 2 disbursements have accrued during the Period.

Total disbursements of £865 have been incurred in the Administration as detailed below:

	Cat. 1 (£)	Cat. 2 (£)	Total (£)
Printing & Postage Costs	864.65	-	864.65
Total	864.65	-	864.65

No disbursements have been drawn during the Period.

12 Creditor rights and enquiries

The Insolvency Service has established a central gateway for considering complaints in respect of insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

Creditors with the concurrence of at least 5% in value of the unsecured creditors may within 21 days of this report request in writing further information regarding the remuneration and expenses set out in this report. In accordance with Rule 18.9(3) of the Rules within 14 days of a request we will provide further information or explain why further information is not being provided. Creditors may access information setting out creditors' rights in respect of the approval of the Joint Administrators' remuneration at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

A creditor (who need not be the creditor who asked for the information) may, with the concurrence of at least 5% or more in value of the creditors (including the creditor in question), apply to the court within 21 days of our response or the expiry for the period of

my response and the court may make such order as it thinks fit (Rule 18.9(6)&(7) of the Rules).

Creditors with the concurrence of at least 10% of the creditors may apply to the court if they consider that the remuneration of the Administrators, or the basis fixed for the remuneration of the Administrator or expenses charged by the Administrator are excessive (Rule 18.34 of the Rules). Such an application must be made within 8 weeks of receiving this report. The text of Rules 18.9 and 18.34 are set out at the end of this report.

The Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code can be found at: <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.

Please contact me or my colleague David Forster at BRCMT@bdo.co.uk if you require further information.

Yours faithfully
for and on behalf of
Stainless Handrail Systems Limited



Ryan Grant
Joint Administrator
Authorised by the Insolvency Practitioners Association in the UK

Enclosures
Receipts and Payments Account
SIP 9 Time Cost Report for the Period
Fees Estimate to Accrued Time Comparison
BDO LLP Policy in Respect of Fees and Disbursements
Statement of Creditors' Rights in respect of Fees and Disbursements

Stainless Handrail Systems Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 21/01/2020 To 20/07/2020 £	From 21/01/2020 To 20/07/2020 £
	FIXED CHARGE ASSETS		
195,000.00	Plant & Machinery	NIL	NIL
5,000.00	Goodwill	5,000.00	5,000.00
		<u>5,000.00</u>	<u>5,000.00</u>
	ASSET REALISATIONS		
54,973.00	Book debts	NIL	NIL
	Interest Gross	253.05	253.05
	Plant & Machinery	195,000.00	195,000.00
75,000.00	Stock	50,000.00	50,000.00
	Sundry Refunds	4,119.50	4,119.50
		<u>249,372.55</u>	<u>249,372.55</u>
	COST OF REALISATIONS		
	Administrators' Fees	25,000.00	25,000.00
	Administrators' Pre-Appointment Fees	28,310.00	28,310.00
	Agents' Fees & Disbs	4,162.40	4,162.40
	Bank Charges	45.00	45.00
	Post App Legal Fees & Disbs	4,780.00	4,780.00
	PR Costs	300.00	300.00
	Pre Appointment Legal Fees & Disbs	17,074.82	17,074.82
	Preparation of S.of A.	1,750.00	1,750.00
	Statutory Advertising	88.00	88.00
	Storage Costs	543.80	543.80
		<u>(82,054.02)</u>	<u>(82,054.02)</u>
	FLOATING CHARGE CREDITS		
(193,628)	Floating Charge (1)	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,308,285)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
(1,171,940)		172,318.53	172,318.53
	REPRESENTED BY		
	Fixed Current Account		158,665.01
	Input VAT		(57.47)
	Suspense Account		(2,672.96)
	Vat Control Account		16,383.95
			<u>172,318.53</u>

Name of Assignment Stainless Handrail Systems Limited

00324150

Summary of Time Charged and Rates Applicable for the Period From 21/01/2020 to 20/07/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV RT
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	£
B. Steps on Appointment	2.50	1,372.50	4.80	1,216.00	8.25	1,798.50	4.40	576.40	26.45	1,956.60			46.40	6,920.00	149.1
C. Planning and Strategy	1.70	933.30	0.50	121.00	3.80	828.40							6.00	1,882.70	313.7
D. General Administration	1.10	600.10	17.75	4,989.25	19.05	4,161.50	6.40	981.20	13.85	1,003.10			58.15	11,735.15	201.8
E. Assets Realisation/Dealing	4.00	2,196.00	6.30	1,532.70	14.50	3,189.40							24.80	6,918.10	278.9
H. Creditor Claims	8.55	4,693.95	7.45	1,829.95	29.05	6,254.10			10.70	903.70			55.75	13,681.70	245.4
I. Reporting	0.70	384.30	1.50	570.00					5.10	362.10			7.30	1,316.40	180.3
J. Distribution and Closure	1.30	713.70											1.30	713.70	549.0
	19.85	10,893.85	38.30	10,258.90	74.65	16,231.90	10.80	1,557.60	56.10	4,225.50	0.00	0.00			

Net Total	199.70	43,167.75
Secretarial Expense		0.00
Other Disbursements		0.00
Billed		0.00
Grand Total		43,167.75



Fees Estimate as at 28 January 2020 compared to accrued to 20 July 2020
Joint Administrators' Fees
Summary Activity
A. Pre Appointment Matters
Total
B. Steps on Appointment
C. Planning and Strategy
D. General Administration
E. Assets Realisation/Dealing
F. Trading Related Matters
G. Employee Matters
H. Creditor Claims
I. Reporting
J. Distribution & Closure
TOTAL
Expenses Estimate
Officeholder CAT 1 Disbursements
Officeholder CAT 2 Disbursements
Other Expenses
Agents Costs
Solicitors Costs

Total	Blended	Estimated	Accrued
Hours	Rate	Fee	Fee for the Period
	£	£	£
134.3	298	28,310	28,310
		28,310	28,310
40.0	230	9,185	6,920
27.0	198	5,348	1,882
44.0	191	8,405	11,735
12.0	241	2,895	6,918
0.0	0	0	0
11.0	212	2,329	0
52.0	167	8,689	13,683
64.0	175	11,177	1,316
47.0	187	8,768	714
		56,796	43,168
		1,000	865
		0	0
		500	4,162
		5,000	6,573

Detail of Work Undertaken

Reviewing appointment and statutory documents (including correspondence to creditors), preliminary organisation review, initial interviews and meetings with key stakeholders including third parties, taking steps to gather in and protect all assets, establishing internal responsibilities regarding staffing of elements of the work and steps to protect assets. It also includes the preparation of proposals to creditors. This work is primarily led by a senior manager with the majority of work delegated to staff below manager.

Reviewing historic records and business performance, establishing the current financial position and reviewing the business processes and systems, liaising with key stakeholders and any committee and



engaging with specialists and planning overarching strategy. This area of work is led by the partner in conjunction with a manager, with some support below manager level in documenting and recording proposed strategy. This work contributes to the efficient management of this insolvency appointment and contributes to reducing costs.

D General Administration

Reviewing and regularising affairs regarding Insurance, VAT, and Taxation, undertaking investigation regarding the conduct of the directors and reporting thereon*, investigations into the affairs and transactions of the entity. The work contemplated does not at this time include forensic examination of records and transactions. It will also include recovery and storage of entities books and records, and may include engaging and liaising with solicitors. Day to day management of the Company's assets will include preparing reports on receipts and payments, ensuring appropriate approval of all costs including approval of remuneration and matching costs of specialists against their expense estimates, dealing with the LTO matters, dealing with Press enquiries and PR matters and managing general administrative matters*, basic enquiries* and meetings*. The majority of this work requires a range of insolvency knowledge and experience, balanced with good accounting and administrative skills and is delegated largely to executives with suitable levels of experience, supervised by directors or managers. Issues marked with an asterisk (*) will not contribute to the financial outcome for the creditors but are statutory or regulatory duties imposed on the office holder.

E Asset Realisation/Management

Identifying and controlling recorded assets, evaluating strategy on realising assets and reconciling recoveries, asset tracing of assets revealed through investigation or third party information, engaging and liaising with valuers and agents, agreeing strategies and monitoring implementation, preparation, review and approval of sales material, information memorandum, dealing with any property, buildings and land, including securing the same, undertaking/managing debt collection and where appropriate engaging and monitoring specialist agents, dealing with plant, machinery, stock, work in progress and intangible assets including intellectual property and consulting/liasing with and engaging specialist agents and solicitors and monitoring the same. Managing third party, HP and leased assets. Managing and investigating Retention of Title claims including site inspections and meetings. No provision has been made for handling contentious Retention of Title claims or any other third party rights to property not disclosed in the entities records. Disposal of business and assets and liaising with agents as detailed in this report. This area of work requires a greater level of commercial experience and insolvency knowledge, than the general administration category of work, together decision making skills. The work is led at director or senior manager level supported by executives with suitable competencies and almost equal numbers of hours are spent by the two groups. The managers liaise with the partner and escalate major decisions to a partner.

F Trading Related Matters

There are no Trade Related Matters as the business and certain assets were sold on appointment.

G Employee Matters

Meeting, corresponding with and assisting employees in submitting claims in order to ensure they are not prevented from recovering statutory sums protected by legislation, computing and processing and checking employee claims and liaising with the Redundancy Payments Service, submitting notifications to the Pensions Regulator, liaising with scheme managers and submission of claims for pension arrears.

As all employees were transferred to the Purchaser on completion, and there will be no costs associated with this category of work.

H Creditor Claims

Receiving and recording all creditor claims and dealing with general creditor queries.



I Reporting

Preparing periodic progress reports to creditors regarding the progress achieved, including preparation of R&P Accounts, a suitable analysis of time costs accrued and a review of actual costs and accrued costs as against this fees and expense estimate. The Director or Senior Manager is responsible for leading the reporting and delegating the production of the accounts, fee analysis and comparison with estimates to suitably experienced executives. The ratio of time spent on reporting is generally that executive hours are twice as many as those of the Director or Senior Manager. Much of the basic accounting and analysis is conducted by various grades of Executives. In estimating costs in respect of reporting we have formed a view of the duration of the insolvency and estimated how many reports will be required. These activities do not contribute to the financial outcome for creditors - they are statutory duties imposed by the relevant legislation. However they do contribute to the creditors' understanding of the work being undertaken on their behalf.

J Distribution and Closure

Giving notice to relevant creditors to prove their claims, adjudicating upon the claims issuing formal rejection of any relevant claims, dealing with any appeal to court concerning a rejected claim, establishing the distributable funds in the estate and calculating the prescribed part, calculating the dividend, issuing payment with suitable notification to creditors, reconciling payments and accounting for unclaimed dividends. No provision is made for additional time costs for dealing with an appeal concerning a rejected cost because the likelihood of such an eventuality is small, although the costs could be significant. It also includes preparing a final report to creditors together with a Receipts & Payments Accounts, analysis of time costs accrued and a review of actual costs compared to the fee and expense estimate, completing all administrative arrangements including storage of any records for statutory periods and filing final statutory documentation. The work is supervised by Director, Associate Director and Senior Managers and final decisions and release of funds is authorised by the partner. The majority of these activities do not contribute to the financial outcome for the creditors (although the matters relating to payment of dividends will do so). The formalities of bringing an insolvency to a close are statutory requirements.

In this matter the estimated prescribed part will be distributed by the Joint Administrators and therefore it is not considered necessary to place the Company into liquidation. The costs of distributing the prescribed part will be borne from the prescribed part only.



Stainless Handrail Systems Limited - In Administration

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows:

GRADE	£
Partner	549
Director / Senior Manager / Manager	242-380
Assistant Manager	218
Senior Administrator	206
Administrator	119-185
Other Staff	73-77

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed on a regular basis and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:-

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.



2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

3) Category 2

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP
17 August 2020



Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Administrators' fees and expenses:

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
- (d) any unsecured creditor with the permission of the court; or
- (e) any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—

- (a) providing all of the information requested;
- (b) providing some of the information requested; or
- (c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—

- (a) the time or cost of preparation of the information would be excessive; or
- (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
- (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
- (d) the office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—

- (a) the office-holder giving reasons for not providing all of the information requested; or
- (b) the expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—



- (a) a secured creditor,
 - (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
 - (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

Applications under rules 18.34 and 18.35 where the court has given permission for the application

18.36.—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

- (2) Where the court has given permission, it must fix a venue for the application to be heard.
- (3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
 - (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
 - (b) an order reducing any fixed rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration, winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

Applications under rule 18.34 where the court's permission is not required for the application

18.37.—(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.

- (2) Unless the application is dismissed, the court must fix a venue for it to be heard.
- (3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—



- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
 - (b) an order reducing any fixed rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by –
 - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.