

AM03

Notice of administrator's proposals



Companies House

FRIDAY



A18 *A7JBXR94* 23/11/2018 #24
COMPANIES HOUSE

1 Company details

Company number 0 5 7 7 8 2 3 0

Company name in full Vision on Design Limited

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

2 Administrator's name

Full forename(s) Julien

Surname Irving

3 Administrator's address

Building name/number Leonard Curtis

Street Tower 12, 18/22 Bridge Street

Spinningfields

Post town Manchester

County/Region

Postcode M 3 3 B Z

Country

4 Administrator's name

Full forename(s) Andrew

Surname Poxon

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

5 Administrator's address

Building name/number Leonard Curtis

Street Tower 12, 18/22 Bridge Street

Spinningfields

Post town Manchester

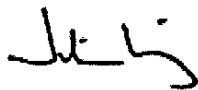
County/Region

Postcode M 3 3 B Z

Country

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

AM03
Notice of Administrator's Proposals

6		Statement of proposals	
		<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	Signature x  x		
Signature date	d 2 d 2 m 1 m 1 y 2 y 0 y 1 y 8		

AM03 Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Anne Jack
Company name	Leonard Curtis
Address	Tower 12, 18/22 Bridge Street
	Spinningfields
	Manchester
Post town	
County/Region	
Postcode	M 3 3 B Z
Country	
DX	
Telephone	0161 831 9999



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**VISION ON DESIGN LIMITED
(IN ADMINISTRATION)**

Registered Number: 05778230

Court Ref: 2912 of 2018

High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List
(CHD)

**Joint Administrators' Report and Statement of Proposals in accordance
with Para 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of
the Insolvency (England and Wales) Rules 2016**

Report date: 22 November 2018

Date report deemed to be delivered to creditors: 26 November 2018

Leonard Curtis contact details:

**Tower 12, 18/22 Bridge Street, Spinningfields,
Manchester M3 3BZ**

Tel: 0161 831 9999 Fax: 0161 831 9090

General email: recovery@leonardcurtis.co.uk

Email for requests for a physical meeting: Manchester.meetingreq@leonardcurtis.co.uk

Ref: M/20/AJA/V124K/1040

CONTENTS

1	Introduction
2	Statutory Information
3	Historical Background and Events Leading Up To Administration
4	Recent Trading Results and Current Financial Position
5	Events Following the Joint Administrators' Appointment
6	Achieving the Purpose of Administration
7	Joint Administrators' Proposals and Exit Route
8	Extension of Administration
9	Pre-Administration Costs
10	Joint Administrators' Remuneration and Disbursements
11	Estimated Outcome for Creditors
12	Release of Administrators from Liability
13	Conclusion

APPENDICES

A	Joint Administrators' Statement of Proposals
B	Estimated Financial Position as at 09 October 2018, accompanying Notes and List of Creditors
C	Summary of Joint Administrators' Receipts and Payments from 9 October 2018 to 22 November 2018
D	Summary of Joint Administrators' Pre-Administration Costs
E	Joint Administrators' Fees Estimate incorporating time incurred to 3 November 2018
F	Joint Administrators' Statement of Likely Expenses
G	Estimated Outcome Statement
H	Leonard Curtis Policy on Fees, Expenses and Disbursements
I	Proof of Debt Form
J	Information in relation to the pre-packaged sale of the business and assets in accordance with the provisions of Statement of Insolvency Practice 16
K	Notice of an Invitation to Creditors to Form a Creditors' Committee

**TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL MEMBERS**

1 INTRODUCTION

General information

- 1.1 I refer to the appointment of Andrew Poxon and I as Joint Administrators ("the Joint Administrators") of Vision on Design Limited ("the Company") on 9 October 2018 and now write to present the Joint Administrators' proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act").
- 1.2 Para 3 of Schedule B1 to the Act requires the administrators to perform their functions with the objective of:
- a) Rescuing the company as a going concern; or
 - b) 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); or
 - c) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.3 Para 51(1) of Schedule B1 to the Act ordinarily requires the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. However, this does not apply where the administrators state that they think:
- a) That the company has sufficient property to enable each creditor of the company to be paid in full; or
 - b) That the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a distribution of the prescribed part fund; or
 - c) That neither of the objectives specified in 1.2(a) and 1.2(b) above can be achieved.
- 1.4 I can confirm that in this case the administrators are of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured creditors. A dividend is, however, expected to be paid to the secured creditor. As a result, there is no requirement to seek a decision from the Company's general body of creditors as to whether they approve the Proposals.
- 1.5 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the administrators within 8 business days of the date on which this report was delivered and comprise the following:
- A statement of the purpose of the proposed decision; and EITHER
 - A statement of the requesting creditor's claim, together with:
 - A list of the creditors concurring with the request and the amount of their respective claims or values; and
 - Confirmation of concurrence from each creditor concurring. OR
 - A statement of the requesting creditor's debt and that that alone is sufficient without the concurrence of other creditors.
- The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.
- 1.6 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 ("the Rules"). Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.

Notice of an Invitation to Creditors to Form a Creditors' Committee

- 1.7 Although no dividend is expected to be paid to unsecured creditors in this case, creditors are entitled to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of that committee.
- 1.8 Attached at Appendix K is Notice of an Invitation to Creditors to Form a Creditors' Committee. Any nominations must be delivered to the Joint Administrators by 6 December 2018 and can only be accepted if the Administrators are satisfied as to the creditor's eligibility under Rule 17.4 of the Rules.
- 1.9 In order to assist them in making an informed decision on whether they wish to be nominated to serve on a committee, creditors are encouraged to access the document below, which provides information on the rights, duties and functions of creditors' committees.

<https://www.r3.org.uk/media/documents/publications/professional/R3%20Guide%20to%20Creditors%20Committees.pdf>

2 STATUTORY INFORMATION

- 2.1 The Administration proceedings are under the jurisdiction of the High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) under Court reference 2912 of 2018.
- 2.2 During the period in which the Administration Order is in force, any act or function required or authorised to be done by the Joint Administrators may be exercised by both or either of them.
- 2.3 The Company's registered office was Unit 6 Roundwood Industrial Estate, Ossett, West Yorkshire WF5 9SQ, this has now been changed to Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ. The registered number is 05778230. The Company traded as its registered name.
- 2.4 The Company operated from leasehold premises at Unit 6, Roundwood Ind Est, Ossett, West Yorkshire WF5 9SQ.
- 2.5 The Company's directors are:

Name	Role	Date Appointed
Paul Dunnill	Director	11 April 2006
Virginia Mehaffey	Director	30 June 2013

- 2.6 The Company's authorised share capital is 52 ordinary shares. The issued share capital comprises 52 ordinary £1 shares, the shares being owned as follows:

Name	Class of Share	No. of Shares	% of Total Owned
P & G Holdings Limited	Ordinary	52	100
		<u>52</u>	<u>100%</u>

- 2.7 According to the information registered at Companies House, the Company has the following registered charge:

Date of creation	Chargee	Type of charge	Amount secured and assets charged
17 August 2017	RBS Invoice Finance Limited	Debenture	All amounts and all assets

- 2.8 It should be noted that Close Invoice Finance Limited repaid RBSIF in full on 9 October 2018 following the transfer of the Invoice Finance Facility. As such, RBSIF's Charge should be shown as satisfied. On our appointment, Close Invoice Finance Limited held security by way of a debenture created on 9 October 2018, incorporating Fixed and Floating Charges over all assets.
- 2.9 The EC Regulation on Insolvency Proceedings 2015 applies to this Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION

- 3.1 The Company was incorporated on 11 April 2006 and commenced to trade shortly afterwards.
- 3.2 The Company latterly traded from leasehold premises at Unit 6, Roundwood Ind Est, Ossett, West Yorkshire WF5 9SQ.
- 3.3 The principal trading activity of the Company was of design and printing, primarily to the retail sector.
- 3.4 As at the date of the Administration the Company employed 52 staff.
- 3.5 The Company was funded by way of an Invoice Finance Facility provided by RBS Invoice Finance Limited ("RBSIF"), who held security by way of a debenture, incorporating Fixed and Floating Charges over all assets, created on 17 August 2017. As confirmed at 2.8 above, shortly prior to the Administration, RBSIF were repaid in full by Close Invoice Finance Limited ("Close IF"). Close IF hold security by way of a debenture, incorporating Fixed and Floating Charges over all assets, created on 9 October 2018.
- 3.6 The Company operated both a sterling ledger and a euro ledger under the Invoice Finance Facility with RBSIF. This was due to the Company operating within both the UK market and the European market.
- 3.6 The Company also received funding by way of asset finance from Close Asset Finance Limited ("Close Asset"), who were owed c£180,000 on our appointment.
- 3.7 In addition, P & G Holdings Limited provided unsecured funding to the Company. The management accounts as at 31 July 2018 confirm that approximately £1.75m is due to P & G Holdings Limited.
- 3.8 Historically, the Company traded profitably however has recently suffered significant losses.
- 3.9 In the year ended 31 January 2016, the Company recorded turnover of c£11.1m and a trading profit of c£2m.
- 3.10 In the following year to 31 January 2017, the Company's turnover decreased to c£9.9m and a reduced trading profit of c£1.77m was recorded.
- 3.11 However, in the year ended 31 January 2018, turnover decreased significantly by c60% to c£3.95m. As a result a loss of c£1.55m was incurred. The Director attributes the decrease to the halving of its main customers display budgets and also the less favorable euro exchange rate following the 'brexit' vote which led to the Company no longer being able to offer competitive rates within the European market.
- 3.12 In the 6 month period ending 31 July 2018, turnover of c£1.9m (annualised to c£3.8m) has been recorded which has resulted in a loss of c£121k (annualised to c£242k) for the period.
- 3.13 In 2018, the Company fell behind in its obligations to H M Revenue & Customs ("HMRC") in respect of VAT, PAYE and NIC. The Company subsequently entered into discussion with HMRC with regards to a Time to Pay Arrangement ("TTP") for the arrears. It was subsequently agreed that the arrears would be repaid over a period of time. The terms of the TTP required the Company to make payment of all future liabilities on time.

Vision on Design Limited - In Administration

- 3.14 However, in September 2018, the Company was unable to maintain payments under the TTP. As such, it was anticipated that the TTP would be formally cancelled by HMRC shortly thereafter and HMRC would commence enforcement action, likely by way of winding up or bailiff action.
- 3.15 In addition, the Company fell behind in its obligations to trade creditors, the Council, in respect of rates, and the Landlord of the trading premises, in respect of rent.
- 3.16 A Liability Notice was obtained against the Company by the Local Authority on 5 June 2018, in respect of Business Rates outstanding of approximately £38k. The Company received a Notice of Enforcement dated 21 September 2018, giving until 5 October 2018, for full payment to be made.
- 3.17 The Company had also fallen behind in its obligations under the terms of the lease for the trading premises, totalling approximately £34k. On 13 September 2018, the Company received a Notice of Enforcement for payment to be made by 24 September 2018.
- 3.18 In addition, a Winding Up Petition was filed against the Company on 12 September 2018 by a trade creditor, however this was later withdrawn on 26 September 2018.
- 3.19 On 4 September 2018, the Company met with Leonard Curtis to obtain insolvency advice on the Company's position. It was concluded that the Company was insolvent, pursuant to S123 of The Insolvency Act 1986, as it was unable to pay debts as and when they fell due, evidenced by the HMRC arrears and intended enforcement action from creditors.
- 3.20 It was considered that Administration was the most suitable insolvency procedure for the Company as it would best allow the possibility of selling the business as a going concern. It was considered that a sale, without the need for ongoing trading whilst in Administration, would be preferable to allow maximum value to be realised from the Company assets, particularly goodwill, book debts, and physical assets, and to minimise the professional costs of the Administration.
- 3.21 On 4 September 2018, the directors instructed Leonard Curtis to assist in placing the Company into Administration.
- 3.22 The Directors subsequently filed a Notice of Intention to Appoint an Administrator ("NOI") at High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) on 10 September 2018 and this was served on the Company and the secured creditor of the Company. The NOI proposed to appoint Julien Irving and Andrew Poxon of Leonard Curtis as Joint Administrators. The filing of the NOI created a protective interim moratorium preventing any legal action from being commenced or progressed whilst the position of the Company and a potential sale were examined.
- 3.23 Cerberus Asset Management ("CAM"), RICS registered valuers, were formally instructed on 6 September 2018 to assess the value of the physical assets.
- 3.24 Cerberus Receivables Management ("CRM"), debt collection specialists, were formally instructed on 6 September 2018 to provide a valuation of the debtors.
- 3.25 Following the formal instruction to assist in placing the Company into Administration, and following agreement to the strategy from RBSIF, the business and assets was advertised for sale on the Leonard Curtis website and CAM's website from 21 September 2018 to 27 September 2018.
- 3.26 The length of the marketing was determined by the requirement to find a purchaser as soon as possible given the impending enforcement action from HMRC, landlord and trade creditors, and the cash constraints on the business.
- 3.27 CAM has significant experience in managing asset sales. Marketing the opportunity on CAM's website would generate the greatest number of web traffic hits in the short time period available.

- 3.28 Leonard Curtis are a leading national business solutions practice and actively markets business opportunities through its 'businesses for sale' section of its website. Advertising on Leonard Curtis' website and circulating to its database exposed the business to a range of potential purchasers with the interest and ability to complete a sale.
- 3.29 Due to the confidential nature of the Company's business and the requirement for any offers to also deal with RBSIF's indebtedness and the asset finance, proof of funding in excess of £420,000 was requested to demonstrate seriousness prior to issuing the interested parties a Non-Disclosure Agreement ("NDAs"). Full details of the marketing undertaken and the ultimate business sale were circulated to Creditors in the Joint Administrators Initial Letter to Creditors on 15 October 2018. A copy of which can be found at Appendix J.
- 3.30 Upon finalisation of the sales documentation, the directors filed a Notice of Appointment at High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) on 9 October 2018, appointing J Irving and A Poxon as Joint Administrators. The sale of the business was completed shortly thereafter.
- 3.31 J Irving and A Poxon are licensed by the Institute of Chartered Accountants in England and Wales. In accordance with paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, the functions of the Joint Administrators may be exercised by either both, acting jointly or alone.

4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

- 4.1 The Company's trading results for the year ended 31 January 2017, and management accounts for the period ended 31 January 2018 and 31 July 2018 are detailed below:

	Mgmt Period ended 31 July 2018 £'000	Mgmt Year ended 31 January 2018 £'000	Signed Year ended 31 January 2017 £'000
Turnover	1,923	3,953	9,889
Gross Profit	778	1,517	5,289
Gross Profit %	40%	38%	53%
Administrative expenses	(899)	(3,070)	(3,040)
Operating Profit/(Loss)	(121)	(1,553)	2,249
Interest and charges	-	-	(21)
Profit/(Loss) before tax	(121)	(1,553)	2,228
Taxation	-	-	(457)
Profit for the year	(121)	(1,553)	1,771
Dividends	-	-	(1,600)
Retained profit	(121)	(1,553)	171

- 4.2 The balance sheets as at 31 January 2017, and the draft management account balance sheet as at 31 January 2018 and 31 July 2018 are detailed below:

	Mgmt 31 July 2018 £'000	Mgmt 31 January 2018 £'000	Signed 31 January 2017 £'000
Fixed Assets			
Tangible Assets	588	679	921
Current Assets			
Stocks	633	657	402
Debtors	734	673	1,197
Cash	29	124	690
	1,396	1,454	2,289
Creditors: Amounts Falling due within one year	(3,077)	(3,065)	(2,885)
Net Current Assets/(Liabilities)	(1,681)	(1,611)	(595)
Total Assets less Current Liabilities	(1,093)	(932)	326
Creditors: Amounts falling due after more than year	(130)	(130)	(23)
Taxation including deferred tax	-	-	(130)
Net Assets	(1,223)	(1,062)	173
Represented by			
Called up share capital (£100)	-	-	-
Reserves	(1,102)	489	
Profit and Loss account	(121)	(1,551)	173
Shareholders' Funds	(1,223)	(1,062)	173

- 4.3 Please note that the figures from the accounts for the year ended 31 January 2018 and the period to 31 July 2018 have been taken from management accounts and therefore should not to be relied upon. In particular it should be noted that the movements in the profit and loss reserves do not correlate with the trading results.

Statement of Affairs

- 4.4 The directors are required to lodge a statement of affairs as at 9 October 2018 which has to be filed with the Registrar of Companies. This document has not yet been received. In the meantime, an estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.
- 4.5 Please note that no provision has been made in the Estimated Financial Position for costs and expenses of realisation, the costs of the Administration and any corporation tax which may be payable. The following comments are considered to be relevant and should be borne in mind when reading the figures:

Secured Creditor

Close Invoice Finance Limited ("Close IF")

- 4.6 As detailed at 2.8 above, Close IF repaid Royal Bank of Scotland Invoice Finance ("RBSIF") in full on 9 October 2018 following the transfer of the Invoice Finance Facility. As such, RBSIF's charge has been satisfied.

4.7 At the date of the Joint Administrators appointment, the Company held a gross funded ledger of £431,929. A sum of £220,707.48 and €71,514.41 (converted to £62,660.93 using the Bank of England exchange rate of 0.8762 as at 9 October 2018) remained outstanding to Close IF on our appointment.

4.8 I can confirm that Close IF were repaid in full as part of the sale of the business and assets detailed further below.

Prescribed Part

4.9 As the Secured Creditor has been repaid in full under its fixed charge, there is no requirement to set aside a prescribed part in this case.

Preferential Claims

4.10 The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay and certain pension contributions.

4.11 All employees transferred to the Purchaser upon completion of the sale pursuant to TUPE Regulations.

4.12 No preferential claims are anticipated in the Administration.

Unsecured Claims

4.13 At present, it is considered unlikely that there will be sufficient funds available to enable any form of distribution to unsecured creditors. This statement is being made in accordance with paragraph 52(1)(b) of Schedule B1 to the Act. Creditors should however continue to submit details of their claims using the proof of debt form attached at Appendix I. These claims will be collated and passed to any subsequently appointed Liquidator, should the position change.

Receipts and Payments

4.14 A receipts and payments account for the period of Administration to date is enclosed at Appendix C.

5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT

5.1 Prior to and upon appointment, the administrators investigated the possibility of concluding a sale of what remained of the business and assets as it was considered that a sale of all or part of the business as a going concern would allow the following:

- Maximise asset realisations - enhanced realisations for the Company's physical assets has been achieved compared to ex-situ realisations most likely achievable on a cessation of trade. A pre-packaged sale would also allow for business continuity and minimal disruption in trading which may result in enhanced debtor collections than if the Company had to cease trading;
- Preservation of goodwill - a pre-packaged sale would allow for a sale of goodwill, which was unlikely to have been available if the Company ceased to trade. It was critical in maximising realisations from the goodwill, that there was minimal disruption to trading. Trading the business during Administration would not have guaranteed an improved offer, and may, conversely have devalued goodwill;
- Mitigation of employee claims and preservation of employment for staff - a pre-packaged sale allowed for 52 full time staff to transfer employment to the Purchaser which mitigated claims for wages, holiday pay, redundancy and notice pay which would have been due should the employees have been required to be made redundant on a cessation of trade;

- Mitigation of claims from the landlord – a pre-packaged sale allowed the Purchaser to enter into negotiations with the landlords in respect of future occupation therefore potentially mitigating claims from the landlords for the remainder of the leases and dilapidations;
- Mitigation of claims from finance companies – the Purchaser may be able to novate some or all of the finance agreements therefore mitigating unsecured claims. On cessation of trade or liquidation, the assets would have been required to be returned to the finance creditors, which would likely have resulted in significant unsecured claims for the remaining period under the agreements; and

5.2 Full details of the marketing undertaken and the ultimate business sale were circulated to Creditors in the Joint Administrators Initial Letter to Creditors on 15 October 2018. A copy of which can be found at Appendix J.

5.7 A sale of the Company's business and assets was completed on 9 October 2018 to Vision on Display Limited (CRN: 09685205), a connected company pursuant to sections 249 and 435 of The Insolvency Act 1986 by virtue of the fact that the directors of the Company, Paul Dunnill and Virginia Mehaffey, are also directors and shareholders of the Purchaser.

5.8 The sales consideration of £404,524 was apportioned as follows:

FIXED CHARGE ASSETS	£
Goodwill (including Business Information & Intellectual property)	5,000
Book Debts	*285,524
FLOATING CHARGE ASSETS	
Fixtures, Fittings & Equipment	2,500
Equity in Financed Assets	25,000
Plant & Machinery	27,500
Motor Vehicles	26,500
Stock and Customer Contracts	25,000
TOTAL	<u>404,524</u>

* Made up of £221,707.48 and €71,514.41 (converted to £62,660.93 using the Bank of England exchange rate of 0.8762 as at 9 October 2018).

5.9 The total sales consideration is payable as follows:

Date	
On completion	*£294,524
On or before 8 November 2018	£12,250
On or before 8 December 2018	£12,250
On or before 8 January 2019	£12,250
On or before 8 February 2019	£12,250
On or before 8 March 2019	£12,250
On or before 8 April 2019	£12,250
On or before 8 May 2019	£12,250
On or before 8 June 2019	£12,250
On or before 8 July 2019	£12,000
Total	<u>£404,524</u>

* Made up of £221,707.48 and €71,514.41 (converted to £62,660.93 using the Bank of England exchange rate of 0.8762 as at 9 October 2018)

- 5.10 To date, the initial consideration has been received however the first instalment remains outstanding. We are in discussions with the Purchaser in this regard. The deferred element has been secured by way of a debenture, incorporating Fixed and Floating charges over all assets, granted by the Purchaser. It should be noted that the debenture is subject to a Deed of Priority in favour of Close IF, who are funding the Purchaser. Personal guarantees have also been provided by Paul Dunnill & Virginia Mehaffey.
- 5.11 Following the completion of the pre-packaged sale of the Company's business and assets, the Joint Administrators sent a letter to creditors on 15 October 2018 to provide further information on the sale pursuant to the requirements of Statement of Insolvency Practice 16. A copy of the information provided is attached at Appendix J. In this case, the Joint Administrators were continuing the investigation into the failure of the Company, including obtaining further financial information and any potential further asset recoveries which may result in additional realisations in the Administration.
- 5.12 Following the receipt of the further financial information, no additional asset recoveries have been identified.

Licence to Occupy

- 5.13 The Joint Administrators granted the Purchaser a licence to occupy the leasehold premises at Unit 6, Roundwood Industrial Estate, Ossett, West Yorkshire WF5 9SQ for a period of 6 months.
- 5.14 The terms of the licence requires the Purchaser to make payment to the Joint Administrator of any amount equivalent to the sums payable under the lease by the Company.
- 5.15 We understand that the Purchaser is in discussion with the Landlord with a view to agreeing ongoing occupation. This should mitigate any claim from the Landlord for the remainder of the lease and dilapidations.
- 5.16 I can confirm that the Joint Administrators are currently holding £18,759.16 in respect of the licence fee, the equivalent of two month's rent, which will be paid to the landlord shortly.

Cash at Bank

- 5.17 The Company operated a bank account with Lloyds Bank PLC. As at the date of appointment, the bank account was overdrawn and no recoveries are anticipated in this respect.

Books and records

- 5.18 The Joint Administrators are in the process of arranging the uplift all of the relevant Company records, which will then be held in our secure storage facility.
- 5.19 It is a statutory requirement that the Office Holders retain the Company records and securely destroy them one year following the dissolution of the Company.

Retention of Title ("ROT")

- 5.20 Following the appointment of the Joint Administrators, four creditors have notified the Joint Administrators that they have possible ROT claims against the Company.
- 5.21 I can advise that three of the claims have been dealt with however one claim remains ongoing. We are in discussions with the creditor in this regard.

Professional Advisors Used

- 5.22 On this assignment the Joint Administrators have used the professional advisors listed below.

Name of Professional Advisor	Service Provided	Basis of Fees
Turner Parkinson	Assisting the Joint Administrators with the sale of the business	Time costs
CAM	Asset valuation advice	Time costs
CRM	Debtor Ledger valuation	Time costs
Champion Accountants LLP	Accountancy Advice and assistance with the preparation of the Statement of Affairs	Fixed Fee

Turner Parkinson

- 5.23 Turner Parkinson were instructed to assist with the appointment of the Joint Administrators, the drafting of the Sale and Purchase Agreement and also the drafting of the supplemental sale documents.
- 5.24 The Joint Administrators have instructed Turner Parkinson due to their increased expertise in this area and specialist knowledge of pre-packaged sales of businesses in administration.

CAM

- 5.25 CAM, RICS registered valuers were formally instructed by the Joint Administrators on 6 September 2018 to assist with the valuation of the assets. CAM have been utilised due to their expertise in insolvency valuations and asset disposals.

CRM

- 5.26 CRM, RICS registered valuers were formally instructed by the Joint Administrators on 6 September 2018 to assist with the valuation of the book debts. CRM have been utilised due to their expertise in insolvency valuations and asset disposals.

Champion Accountants LLP ("Champion")

- 5.27 Champion Accountants LLP have been retained to assist with pre appointment tax matters and the preparation of the Statement of Affairs, due to their historical knowledge of the Company and the cost efficiency in retaining them to assist the Joint Administrators. The Joint Administrators will formally instruct Champion shortly.
- 5.28 Details of this firm's policy regarding the choice of advisors and the basis for their fees are given in Appendix H.

6 ACHIEVING THE PURPOSE OF ADMINISTRATION

- 6.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- (a) rescuing the Company as a going concern, or (if this cannot be achieved);
 - (b) 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), or (if (a) and (b) cannot be achieved);
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.

- 6.2 The first objective is not capable of being achieved given the extent of historic liabilities.
- 6.3 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration). It is considered that objective (b) will be achievable as realisations are greater than those anticipated had the company had been wound up. In addition the transfer of 53 staff has mitigated any claims that may arise on insolvency
- 6.4 The third objective is to realise property in order to make a distribution to the secured creditor. This objective has been achieved as Close IF have been repaid in full under the terms of their security.

7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE

- 7.1 The Joint Administrators' Proposals for achieving the objective of Administration are attached at Appendix A.
- 7.2 Ordinarily the Joint Administrators would seek a decision from the Company's creditors as to whether they approve the Proposals. However, in this case, as there is little likelihood of a dividend being available for unsecured creditors, there is no requirement to seek such a decision from creditors.
- 7.3 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the administrators within 8 business days of the date on which this report was delivered. The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.
- 7.4 If such a decision is requisitioned, creditors will again be invited to consider the appointment of a creditors' committee and to vote on the Joint Administrators' Proposals as set out at Appendix A.
- 7.5 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 ("the Rules"). Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.
- 7.6 Once approved, the affairs of the Company will be managed in accordance with the Proposals and financed out of asset realisations.
- 7.7 Once the Administration has been finalised, and if there are insufficient funds available to allow a distribution to unsecured creditors, the Joint Administrators will file a Notice with the Registrar of Companies that the Company be dissolved. Alternatively, if there are assets still to be realised or investigations concluded but there will be no return to unsecured creditors, the Company may be placed into Compulsory Liquidation.

8 EXTENSION OF ADMINISTRATION

- 8.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 8.2 In certain circumstances it may be necessary to extend the Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding twelve months with the consent of the secured creditor of the Company.
- 8.3 We do not believe that an extension to the administration will be necessary in this case.

9 PRE-ADMINISTRATION COSTS

9.1 Pre-administration costs are defined as:

- Fees charged; and
- Expenses incurred

by the Administrator, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so). "Unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

9.2 Time charged and expenses incurred by the Joint Administrators, their agents and solicitors in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Leonard Curtis	Providing insolvency advice to the Company, obtaining financial information in order to formulate strategy and attendance at Company's premises. The Joint Administrators also undertook numerous key meetings with the Directors. The Joint Administrators assisted in the marketing of the Company, negotiation of the sale of the business and assets, liaising with secured creditors and dealing with appointment formalities.	35,966.50	Nil	n/a	35,966.50
CRM	Valuation of the debtor ledger	10,000.00	Nil	n/a	10,000.00
CAM	Valuation of the physical assets	12,000.00	Nil	n/a	12,000.00
Turner Parkinson	Dealing with sale contract and the accompanying sale documents and dealing with appointment formalities. In addition they provided advice in respect of the RBSIF security and Close IF.	11,250.00	Nil	n/a	11,250.00
	Total	£69,216.50	Nil	n/a	£69,216.50

9.3 Enclosed at Appendix D is an analysis of the Joint Administrators' pre-administration costs. The analysis shows that total pre-administration time costs of £35,966.50 have been incurred which represents 94.3 hours at a rate of £381.41.

Work undertaken by Leonard Curtis

9.4 In the period prior to Administration, Leonard Curtis provided insolvency advice to the Company and carried out an assessment of its financial position with a view to establishing the appropriate insolvency procedure for the Company.

9.5 The Joint Administrators evaluated the Company's financial position and advised that the Company was insolvent as it was unable to pay its liabilities as and when they fell due evidenced by HMRC arrears and intended enforcement action from creditors.

9.6 The work undertaken included but was not limited to:

- Advising the Company on which insolvency process would be most appropriate;
- Dealing with all formalities relating to the appointment of Administrators;
- Obtaining the Company's relevant financial information;
- Liaising with the secured creditor;
- Marketing the business by way of advertising on our website and the website of our instructed agents;
- Liaising with interested parties;
- Corresponding with agents in obtaining an update on the Company's ledger position;
- Assessing the creditor pressure;
- Providing advice with regards to the winding up position;
- Negotiating the sale of the business and assets; and
- Dealing with all formalities relating to the sale of the business, including review of the draft sales documentation.

9.7 Enclosed at Appendix D is an analysis of the Joint Administrators' pre-administration costs. The analysis shows that total pre-administration time costs of £35,966.50 have been incurred which represents 94.3 hours at a rate of £381.41.

Work undertaken by CAM

9.8 CAM were instructed by Leonard Curtis on 6 September 2018 to provide a valuation of all of the Company's physical assets. The work carried out included:

- Marketing of the business and assets;
- Liaising with management of the Company to obtain details of the Company owned assets;
- Attendance on site to prepare an inventory of the assets held; and
- Asset valuation and subsequent recommendation of sale.

Work undertaken by CRM

9.9 CRM were instructed to provide an assessment of the Company's debtor ledger. The work carried out included:

- Liaising with RBSIF in relation to the amount owed;
- Obtaining the correct ledger figures; and
- Providing the Joint Administrators with an assessment in relation to their findings of the debtor ledger, and the prospect of any surplus.

Work undertaken by Turner Parkinson

9.10 The work undertaken by Turner Parkinson included:

- Drafting, amending and producing the Sale and Purchase Agreement;
- Liaising with the Purchasers solicitor with regards to sales documentation;
- Producing the Notice of Intention to Appoint Administrators and filing in Court; and
- Producing the Notice of Appointment and filing in Court.

- 9.11 The payment of unpaid pre-administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Administrators' Proposals. In this case, the Joint Administrators are required to seek the approval of the secured creditor to this resolution.

10 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

General

- 10.1 The basis of the Joint Administrators' remuneration may be fixed either as a percentage of the value with which they have to deal ('a percentage basis'), as a set amount, or by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in a Fees Estimate. A combination of these bases may be fixed, with different bases being fixed in respect of different things done by the Joint Administrators. Additionally, where a percentage basis is fixed, different percentages may be fixed in respect of different things done by the Joint Administrators.

Approval by appropriate body

- 10.2 The Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors. In such circumstances, responsibility for approving the basis of the Joint Administrators' remuneration lies with the Creditors' Committee (if there is one); or if none (or the Committee does not make the requisite determination): each secured creditor of the Company; or where the Joint Administrators intend to make a distribution to preferential creditors: each secured creditor of the Company and a decision of the preferential creditors.
- 10.3 In the absence of a Creditors' Committee being established in this case, approval will be sought from the secured creditors and the outcome will be reported to all creditors in due course.

Information to be given to creditors

- 10.4 The Joint Administrators wish, in this case, to seek the secured creditors' agreement to their remuneration being fixed by reference to the time properly given by them and their staff in attending to matters as set out in a Fees Estimate. Prior to seeking approval of this basis, the Joint Administrators are required to provide all known creditors with their Fees Estimate and details of the expenses that they consider will be, or are likely to be, incurred during the administration ("Statement of Likely Expenses").

The Fees Estimate

- 10.5 The Joint Administrators' Fees Estimate for the whole of the Administration is set out at Appendix E. It includes the following:
- Details of the work that the Joint Administrators and their staff propose to undertake;
 - The hourly rate or rates that the Joint Administrators and their staff propose to use; and
 - The time that the Joint Administrators anticipate that each part of the work will take.

Details of the Joint Administrators' time costs to 3 November 2018 have also been included for comparison purposes. In summary, time costs of £21,994.50 have been incurred to 3 November 2018 which represents 68.9 hours at an average rate of £319.22 per hour.

- 10.6 The total amount of time costs as set out in the Fees Estimate is £79,945.50. Once approved by the appropriate body of creditors, the remuneration drawn by the Joint Administrators must not exceed this total amount without prior approval. It should be noted that in some instances payment of these costs will be limited to the amount of realisations available in the administration.
- 10.7 The Fees Estimate is based upon information currently available to the Joint Administrators. Based upon this information, the Joint Administrators do not anticipate that the Fees Estimate will be exceeded. However should information come to light during the course of the administration which means that the Joint Administrators will

be required to undertake work not envisaged at the time that the Fees Estimate was provided, it may be necessary for the Joint Administrators to revert to secured creditors for further approval.

10.8 Details of the firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix H.

10.9 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded using the following link:

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

If you would prefer this to be sent to you in hard copy please email recovery@leonardcurtis.co.uk or contact Anne Jack of this office on 0161 831 9999.

Statement of Likely Expenses

10.10 The Joint Administrators' Statement of Likely Expenses is set out for creditor information at Appendix F. To assist creditors' understanding of this information, it has been separated into the following categories:

- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
- (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in this particular case. Also included within this category are costs that are directly referable to the administration but are not paid to an independent third party (and which may include an element of allocated costs). These are known as "Category 2 disbursements" and they may not be drawn without the approval of the secured creditors in the same way as fees and the secured creditors will be contacted directly in this respect. The basis of the calculation of their recharge is detailed in Appendix H.

Further Updates

10.11 The Joint Administrators will provide creditors with an indication of whether the remuneration anticipated to be charged by them is likely to exceed the Fees Estimate, and if so the reasons for this, in their subsequent reports. Information will also be provided in subsequent reports on whether the expenditure detailed in the Statement of Likely Expenses has been or is likely to be exceeded and the reasons why.

11 ESTIMATED OUTCOME FOR CREDITORS

11.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix G.

11.2 The Estimated Outcome Statement assumes the following:

- a) That asset realisations are in line with those estimated at Appendix B;
- b) That the Joint Administrators' fees estimate (as detailed at Appendix E) is approved and is not exceeded; and
- c) That the expenses of the administration are as set out in the Statement of Likely Expenses at Appendix F and are not exceeded.

11.3 In summary:

- Secured creditors – I can confirm that Close IF have been repaid in full.
- Preferential creditors – As stated previously, it is not anticipated that there will be any preferential claims in the Administration.
- Unsecured creditors – it is anticipated that there will be insufficient funds to pay a dividend to unsecured creditors after disbursing the costs of the Administration.

12 RELEASE OF ADMINISTRATORS FROM LIABILITY

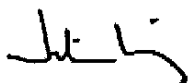
- 12.1 As soon as all outstanding matters in the Administration have been attended to it is anticipated that we will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically to dissolution.
- 12.2 The appointment of the Joint Administrators will cease as soon as this notice is issued.
- 12.3 It is ordinarily for the creditors to fix the date upon which the Joint Administrators are discharged from liability in respect of any action of theirs during the Administration. However, as it is considered that there is little prospect of a dividend to unsecured creditors in this case, we are required to obtain approval to this resolution from the secured creditor. The appropriate class of creditor will be contacted directly in this respect.

13 CONCLUSION

- 13.1 It is important that you give careful attention to this report and its Appendices.
- 13.2 Creditors will be advised of the outcome on the deemed approval of the Proposals in due course.

Should you have any queries or require any further clarification please contact Anne Jack at my office, **in writing**. Electronic communications should also include a full postal address.

For and on behalf of
VISION ON DESIGN LIMITED



JULIEN IRVING
JOINT ADMINISTRATOR

Andrew Poxon is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 8620 and Julien Irving is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 13092

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation. It is further proposed that Andrew Poxon and/or Julien Irving be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Andrew Poxon and/or Julien Irving be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

APPENDIX B

ESTIMATED FINANCIAL POSITION AS AT 9 OCTOBER 2018

	Notes	Book value £	In Administration £
Assets specifically pledged			
Goodwill	1	Nil	5,000
Book Debts	2	431,929	284,524
less: Close Invoice Finance	2	(220,707)	(283,524)
Surplus as regards fixed charge holder (c/f)		<u>211,222</u>	<u>6,000</u>
Financed Assets	3	375,000	208,000
less: Finance Companies		(183,000)	(183,000)
Surplus as per Financed Assets (c/f)		<u>211,222</u>	<u>6,000</u>
		<u>403,222</u>	<u>31,000</u>
Assets not specifically pledged			
Surplus from fixed charge holder (b/d)		211,222	6,000
Equity in Financed Equipment (b/d)	3	192,000	25,000
Plant and Machinery (unencumbered)	4	103,301	27,500
Office Equipment	5	51,655	10,000
Stock and Work In Progress	6	65,000	25,000
Vehicles	7	58,388	26,500
		<u>681,566</u>	<u>120,000</u>
Preferential creditors	8	Nil	Nil
Net property available for prescribed part		<u>681,566</u>	<u>120,000</u>
Prescribed part calculation	9	n/a	n/a
Available for unsecured creditors		<u>681,566</u>	<u>120,000</u>
Unsecured creditors			
H M Revenue & Customs	10	(385,000)	(385,000)
Connected company	11	(1,675,961)	(1,675,961)
Trade and expense creditors	12	(629,434)	(629,434)
Total value of unsecured creditors		<u>(2,690,395)</u>	<u>(2,690,395)</u>
Estimated deficiency as regards unsecured creditors		<u>(2,008,829)</u>	<u>(2,570,395)</u>

NOTES TO THE ESTIMATED FINANCIAL POSITION

All book values have been taken from the Company's latest financial information or from valuations obtained upon administration by independent valuers. It should be noted that no provision has been made for the costs and expenses of the administration.

1. Goodwill

A sale of the goodwill was completed on our appointment in the sum of £5,000.

The value achieved for the goodwill was after a period of marketing, where no formal offers were received from any party other than the Purchaser. The value has been determined on the open market.

Should a sale not have been completed to the Purchaser, then we do not expect that any value would have been achieved in respect of the goodwill.

2. Book Debts

The book value figure for the debtors have been taken from the Company records. It should be noted that these debts are subject to an invoice finance agreement with Close, who were owed £220,707.48 and €71,514.41 on our appointment.

At the date of the Joint Administrators appointment, the Company held a gross funded ledger of £431,929. A sum of £220,707.48 and €71,514.41 (converted to £62,660.93 using the Bank of England exchange rate of 0.8762 as at 9 October 2018) remained outstanding to Close on our appointment.

The Purchasers offer included £1,000, plus RBSIF / Close IF's indebtedness, for the debtors. This offer was subsequently recommended for acceptance by CRM.

3. Financed Equipment

The book value of the financed plant & machinery has been estimated from information detailed in the management accounts as at 31 July 2018.

The Company held 4 vehicles which were subject to asset finance agreements.

CAM conducted a review of the agreements and also provided a valuation of these vehicles after repayment of the asset finance. CAM estimated these vehicles to have a value of between £21,000 and £26,500.

A sale of the equity in the vehicles was completed on our appointment in the sum of £25,000.

4. Plant and Machinery (unencumbered)

The book value of the plant & machinery has been taken from the management accounts as at 31 July 2018.

It should be noted that the gross value of the plant & machinery (including financed and unencumbered) totals £478,301.

CAM advised that the unencumbered plant & machinery had a value of between £10,000 and £27,500.

A sale of the equity in the unencumbered plant and machinery was completed on our appointment in the sum of £27,500.

5. Office Equipment

The book value of the office equipment has been taken from the management accounts as at 31 July 2018.

CAM advised that these assets had a value of between £4,000 and £10,000.

A sale of the office equipment was completed on our appointment in the sum of £10,000.

6. Stock and Work In Progress

The book value of the stock & WIP has been estimated by the directors.

CAM held discussions with the directors with regards the stock & WIP held by the Company. It was estimated that stock with a book value of £65,000 was held. After deducting provisions for unpaid stock, stock held for over 12 months and costs of removal.

CAM provided an estimate of value of between £Nil and £25,000.

A sale of the stock and work in progress was completed on our appointment in the sum of £25,000.

7. Vehicles

The book value of the vehicles has been taken from the management accounts as at 31 July 2018. It should be noted that the vehicles are subject to asset finance agreements.

The Company held 4 vehicles which were subject to asset finance agreements. CAM conducted a review of the agreements and also provided a valuation of these vehicles after repayment of the asset finance. CAM estimated these vehicles to have a value of between £21,000 and £26,500

A sale of the equity in the vehicles was completed on our appointment in the sum of £26,500.

8. Preferential Creditors

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay and certain pension contributions.

No preferential creditors are anticipated.

9. Prescribed Part Calculation

The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the administrator must make a *prescribed part* of the company's net property (after costs and preferential creditors) available to the unsecured creditors and not distribute it the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

The method of calculating the prescribed part is given below:

Where the net property does not exceed £10,000
50% of that property

Where the net property exceeds £10,000

50% of the first £10,000, plus 20% of the property which exceeds £10,000, up to a maximum prescribed part of £600,000.

As the secured creditor has been copied in full under their fixed charge, there is no requirement to calculate a prescribed part.

10. H M Revenue & Customs

This figure has been taken from the Company's books and records. This claim should not to be regarded as an agreed amount.

11. Shareholder funds

This figure has been taken from the Company's books and records. This claim should not to be regarded as an agreed amount.

12. Trade and expense creditors

Creditor amounts have been taken from the Company's books and records. Creditor claims should not be regarded as agreed amounts.

APPENDIX B (CONTINUED)

CREDITORS LIST FOR THE ESTIMATED FINANCIAL POSITION

Name	Address --		Per Statement of Affairs
Ace Fire Equipment (UK) Ltd	47 Jail Road	BATLEY West Yorkshire WF17 8AE	732.00
Alplas Limited	Unit 1 Lancaster Business Park	Aviation Way Southend on Sea ESSEX SS7 6UN	1,589.18
A1 Northern Windscreens	12 Bramham Road	York North Yorkshire YO26 5AW	322.80
Arco Limited	Milner Way	Ossett West Yorkshire WF5 9JG	448.19
Abel Magnets Ltd	Balaclava Road	Sheffield S6 3BG	6,390.29
Alisons Graphic Installations Limited	440 Kents Hill Road North	Benfleet Essex SS7 4AB	7,730.64
Alternative Finishes Ltd	Unit 3 Horbury Bridge Mills	Horbury Bridge Wakefield West Yorkshire WF4 5RW	7,365.60
Atradius Information Services D/D	3 Harnour Drive	Capital Waterside Cardiff CF10 4WZ	4,092.20
BAPP Industrial Supplies	Claycliffe Road	Barnsley South Yorkshire S75 1LR	155.56
BBrown Display Materials (MURASPEC)	74 - 78 Wood Lane End	Hemel Hempstead Herts HP2 4RF	201.39
B&M Waste Services	Skelton Grange Rd,	Leeds LS10 1RZ	512.88
B&D Bolts	Central Warehouse	Bradford Road Batley West Yorkshire WF17 5LW	29.18
BSF Consultion	53/54 St Dunstons Street	Canterbury Kent CT2 8BS	675.36
CEE Electrical	3a Audax Close	Clifton Moor York YO30 4RA	196.98
Countryside Freight Group Limited	Kestrel Road	Off Guinness Road Trafford Park Manchester M17 1SF	2,167.85
Creative Films Ltd	Woods Gennell	The Old Cattle Market Buxton SK17 6HA	432.26
Canect European	Canect House	Leach Way Nottinghamshire NG21 0RU	60.00
Certsure LLP	Warwick House	Houghton Hall Park Houghton Regis DUNSTABLE LU5 5ZX	582.00
Champion	Ged Cosgrove	Refuge House 33-37 Watergate Row Chester CH1 2LE	18,000.00

Vision on Design Limited - In Administration

CMYUK Ltd	Unit 15 Headley Park	10	Headley Road East	Woodley	RG5 4SW	12,959.70
Constant Group	Meadow Bank Business Park	Tweedale Way	Oldham		OL9 8EH	60.00
Cooke North East Creative Space Installs Limited	Lindum House, Causeway End	Brinkworth	Chippenhams	Wiltshire	SN15 5DN	1,176.10
Clive Walker Timber	Haddenham Business Centre	Thame Road	Haddenham	Bucks	HP178BY	1,680.00
	Unit 3	Beza Road	Leeds	West Yorkshire	LS10 2BR	1,078.91
DH Courier Limited	Unit 15, Adwick Business Park	Adwick Park Court, Adwick-le-street	Doncaster	South Yorkshire	England	114.00
Displaypak	4 Harpings Road		Hull		HU5 4JF	378.00
DMF (Wakefield) Ltd	Bodyshop Consumables Division	66 Wakefield Road	Ossett	West Yorkshire	WF5 9JS	360.18
DPM/Roseash Ltd	Unit F, Fieldway	Greenford	Middlesex		UB6 8UN	77,125.62
ECOPAC (UK) Power Ltd	Unit 4 Ridgeway	Crendon Industrial Area	Long Crendon	Buckinghamshire	HP18 9BF	13,454.40
Edmundson Electrical						309.81
First Choice Recruitment	22 Silver Street	Wakefield			WF1 1UY	1,583.03
George Fry	227 Larkhill Way		Leeds	West Yorkshire	LS8 1RQ	97.50
Gloss Creative Recruitment LLP	2 Wellington Place	Leeds			LS1 4AP	4,800.00
Hays Specialist Recruitment	Shared Services Centre	Hays House, St Georges Square	New Malden	Surrey	KT3 4JQ	640.14
P.Hinchcliffe & Son Garage services	31 South Parade		Ossett	West Yorkshire	WF5 0EF	949.80
Horizon Platforms	Unit 3	Roundwood Ind Estate	Ossett	West Yorkshire	WF5 9SQ	1,897.30
Hygiene Services Yorkshire Limited	17a Emley Business Park	Leys Lane	Emley	West Yorkshire	HD8 9QY	117.00
Industrial Tooling Corporation Limited	Cyber House 1 Kepler	Lichfield Road Industrial Estate	Tamworth		B79 7XE	465.64
Jack Hinton (Electrical)	Flanshaw Way	Wakefield	Wakefield	West Yorkshire	WF2 9LP	265.13
Jark Industrial Ltd	Beechurst	8 Commercial Rd	Dereham	Norfolk	NR19 1AE	3,103.00
Kingdom Industrial Supplies	Kingdom House, 6-10 Bancrofts Road	Eastern Industrial Estate	South Woodham Ferrers		CM3 5UQ	630.72
Kolorcraft Group						6,237.99
Kuehne Nagel	Unit 5 Calder Park	Calder Close	Wakefield	West Yorkshire	WF4 3BA	348.00

Vision on Design Limited - In Administration

The LIA	The Lighting Industry Association	Stafford Park	Telford	Shropshire	TF3 3BQ	375.00
Lindstrom	Hammerton House	Hammerton Street	Bradford		BD3 9RD	12.00
Machine Engineering Services Ltd	Forge Lane	Dewsbury		West Yorkshire	WF12 9EL	971.64
Mannequin Atelier Ltd	128 Herbert Road		High Wycombe	Buckinghamshire	HP13 7HW	1,608.00
Mitie Pest Control Ltd	1 Harlequin Office Park	Fieldfare	Emersons Green	Bristol	BS16 7FN	270.00
Art Systems (neschen)	Unit 10-12 Glaisdale Point	Glaisdale Parkway	Nottingham		NG8 4GP	946.39
New Look Retailers Ltd	Mercery Road		Weymouth	Dorset	DT3 6HY	26,359.86
Ossett Tyre House	Bank Street		Ossett	West Yorkshire	WF5 8PR	2,183.88
Proctor Paper & Board Limited	Westland Square		LEEDS	West Yorkshire	LS11 5SS	803.89
Papergraphics	Crompton Way	Crawley	West Sussex	RH10 9QR	RH10 9QR	37.87
Perspex Distribution Ltd	PO Box 62	Duckworth Street	Darwen	Lancashire	B83 1GD	12,273.05
Premium Credit	Ermyrn House,	Ermyrn Way	Leatherhead		KT22 8UX	4,092.20
P H Media Group	Oakland House,	Talbot Road,	Old Trafford, M16 0PQ		M16 0PQ	396.00
Perfectionist Project Limited	Unit G Dittons business Park	Dittons Road	Polegate		BN26 6HY	3,780.00
PFS Managed Services	5 - 6 Aire Valley Park	Wagon Lane	Bingley	West Yorkshire	BD16 1WA	125.50
Priory PAT Consultants	13 Florence Terrace	Gainsborough	Lincolnshire		DN21 1BE	466.80
PPL- (Music License)	1 Upper James Street	London			W1F 9DE	1,179.54
Pyramid Display	Unit 5 Westpoint Enterprise Park	Clarence Avenue	Trafford Park	Manchester	M17 1QS	368.28
Quantum Europoint Limited	Holmes House	24-30 Baker Street	Weybridge	Surrey	KT13 8AU	9,222.00
Rainbow Signs	32 Chantel Avenue	Penyfai	Bridgend		CF31 4NN	372.00
Simpson Packaging	Unit 1 Ossett 40	Milner Way	Ossett	West Yorkshire	WF5 9JR	1,882.23
Signgeer	Mitre Business Units, River Tamar Way	Dobles Lane Business Park	Holsworthy	Devon	EX22 6HL	272.40
Screwfix Direct	Mead Avenue	Houndstone Business Park	Yeovil		BA22 8RT	527.97
Safety-Kleen UK Ltd d/d	Profile West	950 Great West Road	Brentford	Middlesex	TW8 9EJ	696.61
Saturn Distribution Services Ltd	Unit 1 Shaw Cross Court	Shaw Cross Business Park	Dewsbury	West Yorkshire	WF12 7RF	23,107.32

Vision on Design Limited - In Administration

Southwark Council	Southwark Revenues & Benefits Service	PO Box 68763 Box 10, Hatchers Mews, Bermondsey St	London	SE1P 4DJ	0.00
Hatchers Brothers Ltd Reward Invoice Finance Limited	David hatcher		London	SE1 3GS	0.00
Close Invoice Finance	C/O Atradius Collections	3 Harbour Drive	Cardiff Bay	CF10 4WZ	0.00
Close Brothers Asset Finance	80 Mosley Street, Manchester, M2 3FX				283,524.00
	80 Mosley Street, Manchester, M2 3FX				183,000.00
Total					3,156,919.44

Note: Close Invoice Finance hold security by way of a debenture created on 9 October 2018

APPENDIX C

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM
09 OCTOBER 2018 TO 22 NOVEMBER 2018**

	Statement of Affairs £	Received to Date £
RECEIPTS		
Goodwill	5,000.00	416.67
Book Debts	284,524.00	283,607.34
Plant and Machinery (unencumbered)	27,500.00	2,291.66
Office Equipment	10,000.00	833.34
Stock and Work In Progress	25,000.00	2,083.33
Vehicles	26,500.00	2,208.33
Equity in Financed Equipment	25,000.00	2,083.33
Licence Fee*	Nil	18,759.16
		<u>312,283.16</u>
PAYMENTS		
Secured Creditors		<u>283,524.00</u>
		283,524.00
BALANCE IN HAND		<u>28,759.16</u>

Notes

* The Licence fee will be paid over to the landlord shortly.

SUMMARY OF JOINT ADMINISTRATORS PRE-ADMINISTRATION COSTS

	Total		Average hourly rate £
	Units No	Cost £	
Financial assessment	192	6,407.00	333.70
Strategy and purpose evaluation	557	21,880.00	392.82
Preparation of documents	59	1,859.50	315.17
Chargeholder	125	5,370.00	429.60
Court related issues	10	450.00	450.00
	943	35,966.50	381.41

DETAILED ANALYSIS OF PRE-ADMINISTRATION COSTS

Financial Assessment

Prior to the appointment of the Joint Administrators, time was spent by all members of the case administration team in relation to:

- Meeting with the Directors;
- Correspondence with agents in respect of the asset valuation;
- Assessing the Company's asset position;
- Preparing an Estimated Outcome Statement;
- Preparing cash flow forecasts;
- Correspondence with the Company and obtaining financial information;
- Reviewing and completing drawdown requests; and
- Considering the options available to the Company in the circumstances.

Strategy & Purpose Evaluation

Time has been spent by all members of the case administration team, including senior members of Leonard Curtis in formalising the strategy for the Administration. The time recorded to this category includes:

- Establishing a case plan for dealing with the Company and the proposed Administration;
- Collecting the information provided by the Company to assist in identifying the best courses of action;
- Attending a number of meetings with the Company's directors;
- Providing details of the strategy for the Administration to the directors;
- Providing updates to RBSIF / Close;
- Preparing a strategy note for the secured creditors;
- Conducting marketing activities for the Company;
- Compiling the information for inclusion in the sales pack for distribution to interested parties;
- Formalising the engagement of the Joint Administrators and undertaking necessary ethical and conflict reviews; and
- Reviewing the terms of the Sale and Purchase Agreement.

Preparation of Documents

Time incurred in relation to this category of work has involved the following:

- Drafting a letter of engagement and ethical / conflict review paper work for review;
- Overseeing the preparation of a Notice of Intention to Appoint an Administrator and its filing;
- Printing off and reviewing the SPA and arranging for the signing of the documents;
- Drafting and updating the Estimated Outcome Statement, as appropriate; and
- Setting up of the case file and completion of the pre-appointment requirements.

Chargeholder

Time has been recorded under this category in relation to the following:

- Producing a Strategy Note in relation to information prior to the Administration;
- Attending meetings with the secured creditor;
- Providing updates to the secured creditors in respect of the marketing activities and

Vision on Design Limited - In Administration

- Liaising with RBSIF, providing them with a copy of the Strategy Note and providing an update in relation to the progression of the Administration.

Court related issues

Time has been recorded as follows:

- Drafting and filing the Notice of Intention to Appointment documents and filing at Court.

APPENDIX E

JOINT ADMINISTRATORS' FEES ESTIMATE

INCURRED TO 3 NOVEMBER 2018

FEES ESTIMATE

	Total			Total		
	Units	Cost	Average hourly rate	Units	Cost	Average hourly rate
	No	£	£	No	£	£
A01: Statutory & Review	215	7,155.00	332.79	3	45.00	150.00
A02: Receipts & Payments	145	4,470.00	308.28	16	416.00	260.00
A03: Insurance	85	2,552.50	300.29	9	234.00	260.00
A04: Assets	300	9,800.00	326.67	76	2,532.50	333.22
A05: Liabilities	600	19,600.00	326.67	240	8,777.50	365.73
A06: Landlords	120	4,025.00	335.42	24	823.50	343.13
A08: Debenture Holder	79	2,723.00	344.68	10	450.00	450.00
A09: General Administration	90	2,930.00	325.56	19	494.00	260.00
A11: Appointment	214	6,602.50	308.53	62	1,822.00	293.87
A12: Planning & Strategy	84	2,775.00	330.36	-	-	-
A13: Post Appointment Credits Mtngs	290	8,110.00	279.66	230	6,400.00	278.26
A15: Investigations	255	7,510.00	294.51	-	-	-
A16: Case Specific	55	1,692.50	307.73	-	-	-
	2,532	79,945.50	315.74	689	21,994.50	319.22

APPENDIX E (CONTINUED)

JOINT ADMINISTRATORS' FEES ESTIMATE

DETAILS OF WORK PROPOSED TO BE UNDERTAKEN

Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These will be carried out periodically throughout the life of the case. In the early stages of the case this will involve weekly team meetings to discuss and agree case strategy and a month 1 review by the firm's Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses we will as a minimum carry out three monthly and six monthly reviews to ensure that the case is progressing as planned. It is anticipated that there will be an initial month one review by compliance and two additional reviews by the Joint Administrator and his staff;
- Allocation of staff, management of staff, case resourcing and budgeting;
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice;
- The team is required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct all directors involved in the Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years;
- Review of directors' sworn statement of affairs and filing of document at Companies House in accordance with statutory requirements; and
- Completion of case closing procedures at the end of the case.

Time to date has been spent reviewing the time costs data for inclusion in this report.

Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank account;
- Management of case bank account(s) to ensure compliance with relevant risk management procedures;
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports. In total there will be three periodic receipts and payments reports prepared for inclusion in this report and also two progress reports.
- Timely completion of all post appointment tax and VAT returns; and
- Managing estate expenses.

To date, time has been spent agreeing the pre appointment costs with CAM and CRM. In addition time has been spent updating the estimated outcome statement to include the pre-appointment costs as agreed with CAM and CRM.

In addition time has been spent opening the case bank account, preparing and reviewing of the receipts and payments account for inclusion in this report. The VAT 769 form also been completed and submitted to HMRC in respect of the Company.

Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Calculation and request of Joint Administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice;
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; liaising with pensions providers to understand the nature of the scheme, and submitting claims to the Redundancy Payments Service for reimbursement of unpaid contributions to the scheme; and
- Liaising with pension companies to arrange for prompt wind up of schemes.

To date, time has been incurred discussing with the management of the Company the outstanding pension contributions. Time has also been incurred calculating and request the bond in accordance with the Insolvency Practitioners' Regulations 2005. In addition, the s.120 notice has been submitted to the pension provider and regulators.

Assets

- Agreeing strategy for realisation of Company assets. A pre-pack of the business and assets has been completed;
- Instruction of and liaising with agents as required. CAM and CRM were instructed pre-appointment to prepare valuations of the assets of the Company;
- Liaising with Turner Parkinson and the Purchasers Solicitors in respect of the agreed SPA;
- Liaising with Company's bankers re pre-appointment bank accounts;
- Dealing with creditor queries in respect of potential claims for retention of title
- Identification and return of third party assets; and
- Identification and dealing with any assets subject to retention of title ("ROT").

To date time has been spent liaising with CAM re completion of the sale, corresponding with the pre-appointment bankers in respect of the bank statements and balances. In addition time has been spent liaising with ROT creditors.

Liabilities

This category of time includes both statutory and non-statutory matters.

Statutory

- Processing of claims from the Company's creditors the Company's books and records indicated that there were 91 unsecured creditors;
- Preparation, review and submission of pre-appointment tax and VAT returns; and
- Preparation and submission of periodic progress reports to creditors - it is not anticipated that the Administration would need to be extended and therefore it is anticipated that there will be one progress report issued shortly

Vision on Design Limited - In Administration

after the 6 months anniversary of the administration and then a final report will be issued at the 12 month stage of the administration.

Non-statutory

- Dealing with enquiries from the Company's creditors – there are 91 unsecured creditors in total and to date there has been a number of queries from general creditors.

To date time has been spent drafting and issuing the SIP 16 letter to all known creditors, in addition the Joint Administrator wrote to all known creditors shortly after the appointment providing them with the creditor web login details to access the Joint Administrators reports and documents online.

Time has also been spent logging claims from two creditors and issuing a confirmation of debt to one creditor. In addition time has been spent liaising with multiple creditors in respect of possible ROT claims.

Landlords

- Review of current leases in respect of Company premises;
- Monitoring the licence to occupy; and
- Liaising with landlords in respect of premises.

To date time has been spent reviewing the lease, preparing the licence to occupy and also entering into discussion with the landlord in respect of the lease and the newco.

General Administration

- General planning matters;
- Arranging collection and storage of company records; and
- Dealing with general correspondence and communicating with directors and shareholders.

To date, time has been spent liaising with the Director in respect of the books and records of the Company, obtaining the creditors details, arranging for the collection of the books and records and requesting updates on the bank account position.

Further time has also been spent completing the initial director's checklist and issuing the letters requesting the completion of the Statement of Affairs and the completion of the Directors Questionnaires.

Appointment

- Statutory notifications to creditors and other interested parties following the administrators' appointment;
- Arranging for the Notice of Appointment to be advertised in the London Gazette;
- Circulating the creditor web details to the creditors and the shareholders; and
- Preparation of case plan.

To date, time has been spent issuing the initial notices of appointment to all known creditors, filing the respective appointment documents with Companies House and changing the registered office of the Company to the offices of Leonard Curtis.

Time has also been spent arranging the advertisement of the Notice of Appointment in the London Gazette and formalising a case plan.

Post Appointment Creditors' Decisions

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the administration;

Vision on Design Limited - In Administration

- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (Amendment) Rules 2015; and
- Convening a decision by correspondence to agree Fees Estimate with appropriate body of creditors;
- Reporting on outcome of voting.

To date, time has been spent preparing the Joint Administrators' Proposals and preparing the Fees Estimate and Statement of Expenses for inclusion in this report.

Investigations

- Collecting and reviewing the Company's records; and
- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the Company Directors Disqualification Act 1986.

To date no time has been spent in this category.

Planning and Strategy

Time in this category will include regular reviews and updates in respect of the Administration to assess whether the purpose of the Administration will be achieved.

It is not anticipated that much time will be spent in this category other than a possible planning and strategy review.

Case Specific

This category of time may include specific queries in respect of the Company. It is not anticipated that much time will be spent in this category however the Joint Administrators have accounted for nominal time to be spent.

JOINT ADMINISTRATORS' STATEMENT OF LIKELY EXPENSES

Standard Expenses

Type	Description	Amount £
AML Checks	Electronic client verification	10.00
Bond Fee	Insurance bond	260.00
Company Searches	Extraction of company information from Companies House	10.00
Document Hosting	Hosting of documents for creditors	70.00
Software Licence Fee	Case management system licence fee	87.00
Statutory Advertising	Advertising	83.02
Storage Costs	Storage of books and records	380.25
	Total standard expenses	900.27

Case Specific Expenses

Type	Description	Amount £
Legal Fees	Costs of appointed solicitors	5,000.00
Staff Mileage	Category 2 disbursement requiring specific creditor / committee approval	100.00
Accountancy Fees	Costs of assisting with the preparation of the statement of affairs and tax advice	5,000.00
Agents Fees	Collection of books and records	2,000.00
	Total case specific expenses	12,100.00

APPENDIX G

ESTIMATED OUTCOME STATEMENT

	Secured	Unsecured
	£'000	£'000
Amount estimated available to class of creditor	285	Nil
Amount due to creditor per Appendix B	(284)	(2,426)
Estimated dividend rate (as a %)	100%	Nil%

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard £
Director	450
Senior Manager	410
Manager 1	365
Manager 2	320
Administrator 1	260
Administrator 2	230
Administrator 3	210
Administrator 4	150
Support	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per individual
Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case

Vision on Design Limited - In Administration

Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service		
Document hosting	Hosting of documents for creditors/shareholders	Type	First 100	Every addtl 10
		ADM	£14.00	£1.40
		CVL	£7.00	£0.70
		MVL	£7.00	£0.70
		CPL	£7.00	£0.70
		CVA	£10.00	£1.00
		BKY	£10.00	£1.00
IVA	£10 p.a. or £25 for life of case			
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00		
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case		
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£83.02 plus VAT per advert Dependent upon advert and publication		
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges		

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

APPENDIX I

Insolvency (England and Wales) Rules 2016

Rule 14.4

Proof of Debt – General Form
Relevant date: 9 October 2018

Name of Company in Administration:

Vision on Design Limited

Company registered number:

05778230

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

Vision on Design Limited - In Administration

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

8. Details of any document by reference to which the debt relates

9. Signature of creditor (or person authorised to act on the creditor's behalf)

10. Date of signing:

11. Address of person signing (if different from 2 above)

12. Name in BLOCK LETTERS

13. Position with, or relation to, creditor

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.

APPENDIX J

**INFORMATION IN RELATION TO THE PRE-PACKAGED SALE
OF THE BUSINESS AND ASSETS IN ACCORDANCE WITH
THE PROVISIONS OF STATEMENT OF INSOLVENCY PRACTICE 16**

Please ask for : Anne Jack
Our ref : M/38/AJA/V124K/1040
Your ref :



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

15 October 2018

**TO ALL CREDITORS
TO THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES**

Dear Sir(s)/Madam

**VISION ON DESIGN LIMITED - IN ADMINISTRATION ("THE COMPANY")
FORMERLY: VISION ON DIGITAL LTD
HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN MANCHESTER - COMPANY &
INSOLVENCY LIST (CHD) NO. 2912 OF 2018
COMPANY NUMBER: 05778230**

I write to advise you that Andrew Poxon and I were appointed as Joint Administrators of the Company on 9 October 2018. Attached is formal Notice of our Appointment.

You are receiving this notice because the Company's records show that you are a creditor of the Company. The Company's creditors will fall into one of the following categories:

- Secured creditors – a creditor who has the benefit of a security interest over some or all of the assets of the Company (e.g. banks, factoring providers);
- Preferential creditors – creditors who have a preferential right to payment out of the Company's assets once realised (e.g. employees in respect of arrears of pay and holiday pay, subject to certain limits); and
- Unsecured creditors – a creditor other than a preferential creditor that does not have the benefit of any security interests in the assets of the Company (e.g. ordinary trade suppliers; employees (to the extent that their claims are not preferential)).

In our role as Joint Administrators, we are obliged to perform our functions and responsibilities in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of creditors as a whole.

Where a sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an Administrator and the Administrator effects the sale immediately on, or shortly after, appointment this is known as a pre-packaged sale or "pre-pack".

It is in the nature of a pre-packaged sale in an Administration that unsecured creditors are not given the opportunity to consider the sale of the business or assets before it takes place. It is important, therefore, that you are provided with a detailed explanation and justification of why a pre-packaged sale was undertaken, so that you can be satisfied that we have acted, where necessary, with due regard for your interests.

Leonard Curtis Recovery Limited
Company Number 4200476 (England) Reg Office: Tower 12, 18/22 Bridge Street, Spinningfields, Manchester, M3 3BZ
All Leonard Curtis Recovery Limited Insolvency Practitioners, with the exception of Stuart Robb, are licensed in the UK by the ICAEW. Stuart Robb is licensed in the UK by ICAS.

www.leonardcurtis.co.uk

Tower 12
18/22 Bridge Street
Spinningfields
Manchester M3 3BZ

**Tel: 0161 831 9999
Fax: 0161 831 9090**

In this case, a sale of the Company's business and assets to Vision on Display Limited (CRN: 09685205) ("the Purchaser") was completed on 9 October 2018. Set out at Appendix A is a summary of the circumstances and information relevant to this sale that we are required to disclose. The Purchaser is connected to the Company pursuant to sections 249 and 453 of The Insolvency Act 1986 as the directors of the Company, namely Mr Paul Dunnill and Virginia Mehaffey, are directors and shareholders of the Purchaser.

With regard to orders placed by the Company prior to Administration but not yet delivered, suppliers should obtain confirmation from the Purchaser that the goods or services are still required and, if so, an order may be placed with the purchasing company. It should be noted that goods sold and delivered by the Company since Administration commenced must be paid for in full and cannot be set off against any claims against the Company.

You will appreciate that, as a result of the Administration, your previous account with the Company is frozen and neither the Administrators nor the Purchaser are in a position to deal with claims of unsecured creditors. Nevertheless, we should be grateful if you would let us have a detailed account of the amount owing to you as at the date of Administration. Your account, and any future correspondence in connection with the Company, should be sent to our address. Please remember to provide your full name, address, telephone number and email address for our records. If you are claiming title to goods supplied by you, please let us have full details, including your conditions of sale. If you believe you have a claim to goods it is imperative that you contact us as soon as possible and, if necessary, arrange a date to identify the goods in question. Failure to do so may prejudice your claim if any goods to which you claim title have been sold. We will not be liable in the event that goods are sold prior to notice of any valid retention of title claim being received.

Under the provisions of Paragraph 43 of Schedule B1 to the Insolvency Act 1986 ("the Act") no steps may be taken by any creditor to enforce any security over the Company's property or to repossess goods in the Company's possession under any hire purchase agreement (which includes conditional sale agreements, chattel asset leasing agreements and retention of title agreements) without the consent of the Joint Administrators or leave of the Court.

Also no other proceedings and no execution or other legal process may be commenced or continued, and no distress may be levied against the Company or its property except with the consent of the Joint Administrators or leave of the Court.

Where a pre-packaged sale has been undertaken, the Administrators should circulate their Proposals as soon as practicable after appointment, and where possible with this notification. In this case, we are continuing our investigation into the failure of the Company, including obtaining further financial information and any potential further asset recoveries which may result in additional realisations in the Administration. We are currently in the process of formulating our proposals and these along with details of a decision procedure for their approval will be sent to creditors as soon as practicable. At that time, the Joint Administrators will be seeking, from the appropriate body of creditors, approval of the basis upon which their remuneration is to be calculated. A Creditor's Guide to Administrators' fees, which sets out the rights of creditors in this respect, is available from our office free of charge or may be downloaded from:

<https://www.r3.org.uk/what-we-do/publications/professional/fees>.

You are also encouraged to visit the following website, which provides a step by step guide designed to help creditors navigate through an insolvency process:

www.creditorinsolvencyguide.co.uk

If you have any information regarding the conduct of the directors which you feel should be brought to our attention, any concerns regarding the way in which the Company's business has been conducted or information on potential recoveries or any particular matters which you consider require investigation, please send full details to this office at the address given below. This request forms part of our statutory investigation procedures and does not necessarily imply any criticism of the directors.

Data Protection

Finally, when submitting details of your claim in the administration, you may disclose personal data to us. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679 as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. We act as Data Controller in respect of personal data we obtain in relation to this administration and are therefore responsible for complying with Data Protection Law in respect of any personal data we process. Our privacy notice, which is attached to this letter at Appendix B, explains how we process your personal data. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

Insolvency practitioners at Leonard Curtis are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

We remind you that the Joint Administrators are agents of the Company and contract without personal liability.

Yours faithfully
for and on behalf of
VISION ON DESIGN LIMITED



JULIEN IRVING
JOINT ADMINISTRATOR

Julien Irving and Andrew Poxon are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 13092 and 8620, respectively

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

Enc

**VISION ON DESIGN LIMITED ("the Company")
(IN ADMINISTRATION)**

**INFORMATION REGARDING THE PRE-PACKAGED SALE OF THE BUSINESS AND ASSETS OF
VISION ON DESIGN LIMITED**

1 INITIAL INTRODUCTION

- 1.1 The Company was introduced to Leonard Curtis by Champion Accountants, the Company's accountants, and an initial meeting was held with the directors on 26 March 2018.
- 1.2 At the initial meeting, Leonard Curtis were notified that the Company had arrears of liabilities to HM Revenue & Customs ("HMRC") and general advice was provided.
- 1.3 Following the meeting, the Company proposed a Time to Pay Arrangement ("TTP") to HMRC which was subsequently accepted.
- 1.4 The directors subsequently contacted Leonard Curtis again on 23 July 2018 as they considered that they would be unable to maintain payments under the TTP. As with the initial meeting, only general insolvency advice was provided.
- 1.5 A further meeting was held with the directors on 4 September 2018 where it was agreed that steps should be taken to place the Company into Administration.
- 1.6 We do not believe that there are any significant personal or professional relationships between the Company or its directors and Leonard Curtis, and we confirm that we carried out the appropriate conflict review prior to accepting the appointment.

2 PRE-APPOINTMENT CONSIDERATIONS

The extent of the Administrators' involvement prior to the appointment and the Role of the Insolvency Practitioner ("IP")

- 2.1 Following our instruction, we wrote formally to the directors of the Company on 6 September 2018 informing them that our role before any formal appointment would involve providing the following services:
 - i) advising them on which insolvency process would be most appropriate for the Company;
 - ii) dealing with all formalities relating to the appointment of Administrators including giving appropriate notification of the intention to make such appointment to secured creditors and other parties entitled to receive notice;
 - iii) preparing any report(s) necessary and attending Court hearings if appropriate;
 - iv) advising them on the financial control and supervision of the business between the date of our engagement and the date of the appointment of Administrators;
 - v) advising them on whether an early sale of the Company's business and trading assets would be likely to be in the interests of creditors.
- 2.2 We made it clear that these services were to be given for the benefit of the creditors of the Company and that our role was not to advise the directors in their personal capacity. We recommended that they seek their own independent advice if they were uncertain on any matter, particularly if they had expressed, or were likely to express, an interest in purchasing the Company's business and trading assets. We also wrote to all interested

parties who we believed to be connected to the Company advising them of the IP's obligations under Statement of Insolvency Practice 16 ("SIP 16") regarding the marketing of the business and assets of the Company and of their ability to make a submission, or submissions, to the Pre-Pack Pool.

- 2.3 Finally, we explained that initially an IP acts as professional adviser to the Company with responsibilities only to it and its directors. At this stage of the process the IP will assist the directors in making the right decision about what is the correct option for them to pursue in the best interests of creditors having regard to the Company's circumstances. In this case, we advised the directors that the Company was insolvent and that immediate steps be taken to place it into Administration.
- 2.4 Once the Company has been placed into Administration, the IP becomes Administrator with different functions and responsibilities. The Administrator is obliged to perform his functions and responsibilities in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, he has a duty not to unnecessarily harm the interests of creditors as a whole.

Background

- 2.5 The Company was incorporated on 11 April 2006 and began trading shortly afterwards. The directors of the Company are Paul Dunnill & Virginia Mehaffey.
- 2.6 The Company trades from leasehold premises situated at Unit 6 Roundwood Industrial Estate, Ossett, West Yorkshire, WF5 9SQ.
- 2.7 The principal trading activity of the Company is of design and printing, primarily to the retail sector. The Company employed 52 staff.
- 2.8 The Company was funded by way of an invoice finance facility provided by RBS Invoice Finance Limited ("RBSIF"), who hold security by way of a debenture, incorporating Fixed and Floating Charges over all assets, created on 17 August 2017. It should be noted that on 9 October 2018, shortly prior to the Administration, RBSIF were repaid in full by Close Invoice Finance Limited ("Close IF"). Close IF hold security by way of a debenture, incorporating Fixed and Floating Charges over all assets, created on 9 October 2018.
- 2.9 The Company also received funding by way of asset finance from Close Asset Finance Limited ("Close Asset"), who were owed c£180,000 on our appointment.
- 2.10 In addition, the directors provided unsecured funding to the Company. The management accounts as at 31 July 2018 detail a sum of £1.75m is due to the directors.
- 2.11 Historically, the Company traded profitably however has recently suffered significant losses.
- 2.12 In the year ended 31 January 2016, the Company recorded turnover of c£11.1m and profit of c£2m. In the following year to 31 January 2017, the Company's turnover decreased to c£9.9m and a reduced profit of c£1.77m was recorded.
- 2.13 However, in the year ended 31 January 2018, turnover decreased significantly by c60% to c£3.95m. As a result a loss of c£1.55m was incurred. This was mainly due to their main customers halving their display budgets with little notification to the directors. This was further impacted by the euro conversion rates, following the Brexit vote which in turn led to the Company no longer being able to offer competitive rates for European works.
- 2.14 In the 6 month period ending 31 July 2018, turnover of c£1.9m (annualised to c£3.8m) has been recorded which has resulted in a loss of c£121k (annualised to c£240k) for the period.

- 2.15 In 2018, the Company fell into arrears on its liabilities to HMRC in respect of VAT, PAYE and NIC. The Company subsequently entered into discussion with HMRC with regards to a TTP for the arrears. It was subsequently agreed that the arrears would be repaid over a period. The terms of the TTP required the Company to make payment of all future liabilities on time.
- 2.16 However, in September 2018, the Company was unable to maintain payments under the TTP. As such, it was anticipated that the TTP would be formally cancelled by HMRC shortly thereafter and HMRC would commence enforcement action, likely by way of winding up or bailiff action.
- 2.17 In addition, the Company fell behind into arrears of liabilities with its trade creditors, the Council, in respect of rates, and the landlord of the trading premises, in respect of rent payable under the lease.
- 2.18 A Liability Notice was obtained against the Company by the local Council on 5 June 2018, in respect of rates outstanding of c£38k. The Company received a Notice of Enforcement from the Council, dated 21 September 2018, giving until 5 October 2018, for full payment to be made otherwise it intended to instruct an Enforcement Agent to recover goods against the debt.
- 2.19 The Company had also fallen behind in its obligations under the lease for the trading premises, totalling c£34k. On 13 September 2018, the Company received a Notice of Enforcement should payment not be made by 24 September 2018.
- 2.20 In addition, a Winding Up Petition was filed against the Company on 12 September 2018 by a trade creditor, however this was later withdrawn on 26 September 2018.
- 2.21 On 4 September 2018, the Company met with Leonard Curtis to obtain insolvency advice on the Company's financial position. It was concluded that the Company was insolvent, pursuant to S123 of The Insolvency Act 1986, as if it was unable to pay debts as and when they fell due, evidenced by the HMRC arrears and intended enforcement action from creditors.
- 2.22 It was considered that Administration was the most suitable insolvency procedure for the Company as it would best allow the possibility of selling the business as a going concern. It was considered that a sale, without the need for ongoing trading whilst in Administration, would be preferable to allow maximum value to be realised from the Company assets, particularly goodwill, book debts, and physical assets, and to minimise the professional costs of the Administration. On 4 September 2018, the directors instructed Leonard Curtis to assist in placing the Company into Administration.
- 2.23 The Directors subsequently filed a Notice of Intention to Appoint an Administrator ("NOI") at High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) on 10 September 2018 and this was served on the Company and the secured creditor of the Company. The NOI proposed to appoint Julien Irving and Andrew Poxon of Leonard Curtis as Joint Administrators. The filing of the NOI created a moratorium in favour of the Company whilst it was in force.
- 2.24 Cerberus Asset Management ("CAM"), RICS registered valuers, were instructed to assess the value of the physical assets.
- 2.25 Cerberus Receivables Management ("CRM"), debt collection specialists, were instructed to provide a valuation of the debtors.
- 2.26 Following the formal instruction to assist in placing the Company into Administration, and following agreement to the strategy from RBSIF, the business and assets was advertised for sale on the Leonard Curtis website and CAM's website from 21 September 2018 to 27 September 2018. The length of the marketing was determined by the requirement to find a purchaser as soon as possible given the impending enforcement action from HMRC, landlord and trade creditors, and the cash constraints on the business. Proof of funding in excess of £420,000

was also required upon any indication of interest, given the requirement to deal with RBSIF and asset finance indebtedness as part of any sale.

- 2.27 CAM has significant experience in managing asset sales. Marketing the opportunity on CAM's website would generate the greatest number of web traffic hits in the short time period available.
- 2.28 Leonard Curtis are a leading national business solutions practice and actively markets business opportunities through its 'businesses for sale' section of its website. Advertising on Leonard Curtis' website and circulating to its database exposed the business to a range of potential purchasers with the interest and ability to complete a sale.
- 2.29 As a consequence of the marketing campaign described above a total of two expressions of third party interest were received, in addition to an expression of interest from a connected party.
- 2.30 Due to the confidential nature of the Company's business and the requirement for any offers to also deal with RBSIF's indebtedness and the asset finance, proof of funding in excess of £420,000 was requested upfront to demonstrate the capability of any interested parties prior to the issue of Non-Disclosure Agreement ("NDAs"). One of the interested third parties provided proof of funding and were issued with an NDA. Upon the return of the NDA, the relevant sale pack was issued.
- 2.31 Management also expressed an interest in purchasing the business and an offer of £120,000 and payment of the invoice finance indebtedness was received from Vision on Display Limited ("the Purchaser"). The Purchaser is connected to the Company pursuant to sections 249 and 453 of The Insolvency Act 1986 as the directors of the Company, namely Mr Paul Dunnill and Virginia Mehafeey, are directors and shareholders of the Purchaser. In addition, the Purchaser advised that it was in discussions with Close Asset with a view to the novation of the asset finance agreement.
- 2.32 No other offers were received and the offer from the Purchaser was recommended for acceptance by CAM and CRM, independent agents.
- 2.33 Negotiations commenced with the Purchaser, RBSIF and Close with regards the sale documentation. As the sale was not in a position to be completed by the expiry of the NOI filed on 10 September 2018, a further NOI was filed by the directors on 26 September 2018.
- 2.34 Upon finalisation of the sales documentation, the directors filed a Notice of Appointment at High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) on 9 October 2018, appointing J Irving and A Poxon as Joint Administrators. The sale of the business was completed shortly thereafter.
- 2.35 J Irving and A Poxon are licensed by the Institute of Chartered Accountants in England and Wales. In accordance with paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, the functions of the Joint Administrators may be exercised by either both, acting jointly or alone.

Alternative courses of action considered by the Administrator

- 2.36 The following courses of alternative action were considered with management prior to our appointment and the pre-packaged sale:

Distressed sale of business and assets as a going concern by management

- 2.37 The Company was insolvent within the definition of Section 123 of the Act, in that it was unable to pay its debts as and when they fall due evidenced by the HMRC arrears. The Company had insufficient cash to fund ongoing working capital requirements and the Company's shareholders, directors and financiers were not in a position to introduce further funds. It was not, therefore, considered appropriate for the Company to continue trading whilst a sale of the Company's business and assets was explored outside of a formal insolvency process.

- 2.38 In addition, a sale of the Company's shares was unlikely given the level of historic liabilities and the immediate requirement for funding to settle the outstanding HMRC and trade creditor liabilities in order to avoid the Company being wound up in the near future.

Company Voluntary Arrangement ("CVA")

- 2.39 A CVA is a contract with creditors to facilitate full or part repayment to them, from future profits (if any), over typically a 5 year period. Alternatively, the CVA can be based on the realisation of assets. The entity remains the same and under the control of its directors.
- 2.40 In the period whilst the CVA would be considered by creditors, a CVA would not have stopped creditors from taking enforcement action against the Company. Furthermore, there was no guarantee that the CVA would have been accepted by HMRC.
- 2.41 As such a CVA was not considered appropriate.

Sale of the business and / or assets by the Administrator with or without on-going trading

- 2.42 It was considered that Administration would best allow for a sale of the business and assets to be negotiated and completed, which should result in improved realisations, particularly in respect of the goodwill, debtors and physical assets.
- 2.43 A sale, by way of a pre-packaged sale, was considered necessary to allow the following:
- Maximise asset realisations - enhanced realisations for the Company's physical assets has been achieved compared to ex-situ realisations most likely achievable on a cessation of trade. A pre-packaged sale would also allow for business continuity and minimal disruption in trading which may result in enhanced debtor collections than if the Company had to cease trading;
 - Preservation of goodwill - a pre-packaged sale would allow for a sale of goodwill, which was unlikely to have been available if the Company ceased to trade. It was critical in maximising realisations from the goodwill, that there was minimal disruption to trading. Trading the business during Administration would not have guaranteed an improved offer, and may, conversely have devalued goodwill;
 - Mitigation of employee claims and preservation of employment for staff - a pre-packaged sale allowed for 52 full time staff to transfer employment to the Purchaser which mitigated claims for wages, holiday pay, redundancy and notice pay which would have been due should the employees have been required to be made redundant on a cessation of trade;
 - Mitigation of claims from the landlord - a pre-packaged sale allowed the Purchaser to enter into negotiations with the landlords in respect of future occupation therefore potentially mitigating claims from the landlords for the remainder of the leases and dilapidations;
 - Mitigation of claims from finance companies - the Purchaser may be able to novate some or all of the finance agreements therefore mitigating unsecured claims. On cessation of trade or liquidation, the assets would have been required to be returned to the finance creditors, which would likely have resulted in significant unsecured claims for the remaining period under the agreements; and
 - In the opinion of our agents and advisors, a sale of the business and assets would result in a better outcome for creditors due to the enhanced level of asset realisations available in an in-situ sale rather than on a forced sale basis.

- 2.44 The Company had insufficient cash assets to enable the Joint Administrators to continue trading whilst they marketed the business for sale post Administration. The directors and shareholder also confirmed that they were not in a position to introduce further funding at this time. In addition, neither RBSIF or Close IF were in a position to provide funding over and above its existing facility.
- 2.45 Furthermore, the professional costs of trading the business and associated overhead costs, which would rank as an expense of the Administration, could not be justified given the size of the Company's operation and the anticipated uplift in asset value that a going concern sale was likely to achieve. It was therefore not considered appropriate for the Joint Administrators to continue trading the business following their appointment.
- 2.46 Given the above, the proposed Joint Administrators strategy was to initially focus on achieving a pre-packaged sale of the Company's business and assets immediately, or shortly following, the Administration. Further details on why it was not appropriate to trade the business, and offer it as a going concern, during the Administration are detailed below at 2.62.
- 2.47 Given all of the above it was considered that Administration provided the best prospect of achieving the best outcome for all stakeholders. The business was advertised by way of advertising for sale on the Leonard Curtis website and CAM's website from 21 September 2018 to 27 September 2018. Further details of the marketing strategy adopted are detailed at section 3 below.
- 2.48 2 expressions of third party interest was received however, of these only 1 of the parties provided proof of funding and returned a Non-Disclosure Agreement ("NDA") and only this party was sent the appropriate sales pack.
- 2.49 An offer of £120,000, plus repayment of the invoice finance indebtedness, was received from Vision on Display Limited ("the Purchaser") which is a connected party as defined in Sections 249 and 435 of the Act, by way of common directors with the Company. In addition, the directors of the Company are shareholders of the Purchaser. The Purchaser also advised that they were in discussions with Close Asset with a view to the novation of the asset finance agreement.
- 2.50 The third party was not in a position to submit an offer for the business and assets upon expiration of the marketing period. As such, an extension to 10am on 1 October 2018 was granted. The third party subsequently requested further information in order to consider making an offer on the morning of 1 October 2018. This information was provided later that day and the deadline was further extended until 5pm on 1 October 2018. No formal offer was received and the third party subsequently confirmed that they would not be making an offer for the business and assets on the morning of 2 October 2018.
- 2.51 Based on our independent agents' recommendations, and the lack of any third party offers, this offer was accepted following the expiration of the marketing period.
- 2.52 We are therefore of the opinion that a pre-packaged sale of business ("pre-pack") was the most appropriate process to maximise realisations.
- 2.53 If a going concern sale, by way of a pre-packaged sale, could not be achieved, then the Joint Administrators would be required to cease trading immediately following their appointment, for the reasons stated above, and conduct an orderly wind down of the Company's affairs.

Liquidation and subsequent forced sale of the Company's assets

- 2.54 The Directors could have placed the Company into Creditors Voluntary Liquidation ("CVL"), or allowed the Company to be placed into Compulsory Liquidation, which would have resulted in the closure of the business and redundancy of all staff.

- 2.55 Liquidation would have resulted in reduced asset realisations. On cessation of trade, the physical assets would have been sold on a forced sale/piecemeal basis, resulting in lower realisations, as well as incurring costs of removal and sale. Furthermore, the goodwill would hold little or no value given the cessation of trade.
- 2.56 All employment contracts would terminate in a Compulsory Liquidation (and in practical terms, the result would be the same in a CVL), which would give rise to preferential claims in respect of wages and holiday pay, in addition to an increase in unsecured creditors in respect of pay in lieu of notice and redundancy pay.
- 2.57 Closure of the business may have impacted on realisations from the Company's book debt ledger. There would have been no customer continuity, which in our experience, may have resulted in disputes and reasons for non-payment. This may have considerably reduced collections and increased costs of the debt collection process.
- 2.58 A liquidation would have resulted in all remaining equipment subject to finance agreements being returned to the relevant financier. This would in turn result in significant shortfalls to the finance creditors under hire agreements and the crystallisation of claims after application of costs of collection and sale. In Administration, the Purchaser may have the opportunity to novate some or all of these agreements resulting in a better overall result for creditors.
- 2.59 In addition, on cessation of trade, the leasehold property would be returned to the landlord and would give rise to significant unsecured claims in relation to the remaining lease period, dilapidations and clearance costs.
- 2.60 Any asset realisations in a Compulsory Liquidation would be subject to Secretary of the State fees and petitioners costs further reducing the amounts available to creditors.
- 2.61 Overall, placing the Company into CVL or Compulsory Liquidation would have resulted in a worse overall position for creditors.

Whether efforts were made to consult with major creditors and the outcome of any consultations

- 2.62 It was considered that to consult with the general body of creditors prior to the Administration could have resulted in enforcement action being taken or creditors deciding to cease providing services, which would have had an adverse impact on the continuation of trade and the likelihood of a going concern sale being achieved and impact on the value achieved for the goodwill.
- 2.63 Discussions were held with RBSIF, and subsequently Close IF, as the secured creditors. A formal Options Review was provided by Leonard Curtis to RBSIF on 20 September 2018.

Why it was not appropriate to trade the business, and offer it for sale as a going concern, during the Administration

- 2.64 Trading in Administration was not considered viable for the following reasons:
- A period of uncertainty whilst trading in Administration would be likely to lead to a loss of clients which would erode any value in the goodwill of the business;
 - Trading the business would not have guaranteed an improved offer for the assets and may, conversely, have devalued the Company's goodwill;
 - The majority of work for customers was not on a contract basis and the Joint Administrators would be unable to provide warranties for any goods supplied, therefore turnover would be uncertain;
 - There is no certainty of an alternative credible buyer being found given the marketing of the business had already been undertaken;

- There was no working capital available to fund ongoing trading; and
- The Joint Administrators did not consider that trading the Company would result in an increase in realisations sufficient enough to outweigh the costs associated with trading and losses incurred. The Company recently suffered trading losses. Given the nature of the business it was considered that to trade whilst in Administration would require substantial funding, and any losses incurred in Administration could worsen the position for all stakeholders. Therefore trading the Company in Administration was not appropriate.

2.65 Given the above it is considered that a pre-packaged sale would allow for maximum value to be obtained for the benefit of creditors.

Details of requests made to potential funders to fund working capital requirements

2.66 Requests to commercial funders to fund working capital requirements were not considered a viable option. Given the financial position of the Company, it was not possible to take on further debt, which may not have been able to be repaid. In addition, the directors, shareholder and current financiers were not in a position to provide further funds to the Company.

Details of registered charges and dates of creation

2.67 We understand that the following charges are registered against the Company:

Date of creation	Chargee	Type of charge	Amount secured and assets charged
9 October 2018	Close Invoice Finance Limited	Debenture	All amounts and all assets
17 August 2017	RBS Invoice Finance Limited	Debenture	All amounts and all assets

It should be noted that Close Invoice Finance Limited repaid RBSIF in full on 9 October 2018 following the transfer of the invoice finance facility. As such, RBSIF's charge should be shown as satisfied.

Details of any acquisition of business assets from an insolvency practitioner

2.68 We confirm that the business, or business assets, of the Company were not acquired from an insolvency practitioner within the 24 months prior to our appointment.

3 MARKETING OF THE BUSINESS AND ASSETS

3.1 The directors confirmed that no formal marketing activities had been conducted by the Company prior to the proposed Joint Administrators' involvement.

3.2 The proposed Joint Administrators, with the assistance of the director and professional advisors, organised a marketing campaign. The key features of the marketing process are summarised below:

Broadcasting the Opportunity on the Internet

3.3 A discreet advertisement was placed on two websites:

1. www.leonardcurtis.co.uk, the website of the proposed Joint Administrators.
2. www.charlestaylor.com, the website of Cerberus Asset Management ("CAM"), the Joint Administrators' instructed valuation agent.

- 3.4 The advertisement went live on 21 September 2018 across both websites and included details of the nature of the business, location, staffing levels, turnover, assets available for sale and a closing date for offers of 5pm on 27 September 2018.

Rationale for Marketing Strategy

- 3.5 When determining the strategy for marketing the business and assets of the Company for sale the following was considered:
- CAM has sector specific knowledge and experience in managing similar asset sales and is supported by a team of individuals certified by, and registered with, the Royal Institute of Chartered Surveyors ("RICS"). CAM has a nationwide presence and a significant and longstanding history of assisting insolvency practitioners with business and asset sales.
 - Leonard Curtis is a leading national business solutions practice which has an established history of providing business acquisition opportunities to the open market.
 - CAM and Leonard Curtis frequently market business and asset sales through their websites. In addition, the interested party database maintained by Leonard Curtis has been compiled over the course of many years carrying out similar transactions and, consequently, contains a wide range of interested parties and intermediaries with a history of pursuing and completing similar acquisitions.
 - By advertising the business and assets in the manner set out above, the proposed Joint Administrators anticipated the greatest level of exposure to potential interested parties without incurring costs that would be disproportionate to the estimated value of assets involved.

Outcome of Marketing

- 3.6 As a consequence of the marketing campaign described above a total of two expressions of third party interest was received, in addition to a connected party.
- 3.7 Due to the confidential nature of the Company's business and the requirement for any offers to also deal with RBSIF and Close Asset's indebtedness, any offers were asked to be in excess of £420,000. Proof of funding was requested upfront to demonstrate seriousness prior to issuing the interested parties a Non-Disclosure Agreement ("NDAs").
- 3.8 Two expressions of third party interest was received however, of these only of the parties provided proof of funding and returned a Non-Disclosure Agreement ("NDA") and only this party was sent the appropriate sales pack.
- 3.9 An offer of £120,000, plus repayment of RBSIF's indebtedness, was received from Vision on Display Limited ("the Proposed Purchaser") which is a connected party as defined in Sections 249 and 435 of the Act, by way of common directors with the Company. In addition, the directors are shareholders of the Purchaser. The Purchaser also advised that they were in discussions with Close Asset with regards the novation of the asset finance agreement.
- 3.10 The third party was not in a position to submit an offer for the business and assets upon expiration of the marketing period. As such, an extension to 10am on 1 October 2018 was granted. The third party subsequently requested further information in order to consider making an offer on the morning of 1 October 2018. This information was provided later that day and the deadline was further extended until 5pm on 1 October 2018. No formal offer was received and the third party subsequently confirmed that they would not be making an offer for the business and assets on the morning of 2 October 2018.
- 3.11 Formal negotiations with regards the sales documentation commenced upon formal acceptance of the offer from the Purchaser on the morning of 2 October 2018 following the expiration of the deadline for offers.

- 3.12 We confirm that in our opinion we consider that the marketing undertaken conformed with the marketing essentials set out in the Appendix to SIP16.

4 VALUATION OF THE BUSINESS AND ASSETS

Details of valuers/advisors

CAM

- 4.1 CAM, RICS registered asset valuers, were instructed on 6 September 2018 to prepare an indicative valuation report in respect of the Company's physical assets.
- 4.2 CAM has confirmed their independence to act and have confirmed that they hold the requisite level of professional indemnity insurance. In addition CAM has advised that they have the appropriate level of experience, skill and competence to conduct the valuation of the above assets.

CRM

- 4.3 CRM, experienced debt collection agents, were instructed on 6 September 2018 to prepare an indicative valuation report in respect of the Company's book debts in order to assist in the initial appraisal of the businesses. CRM were instructed to provide their opinion on the collectability of the assets and costs of collection of the same, on a high and low basis.
- 4.4 CRM has confirmed their independence to act and have confirmed they hold the requisite level of professional indemnity insurance. In addition, CRM has advised that they have the appropriate level of experience, skill and competence to conduct the valuation of the assets.

The valuations obtained of the business or the underlying assets

4.5

Category of asset	Note	Book value £	High value £	Low value £	Value achieved £
Fixed charge assets					
Goodwill		Nil	n/a	n/a	5,000
Debtors		431,929	312,194	121,194	284,524
Floating charge assets					
Plant and machinery (unencumbered)		103,301	27,500	10,000	27,500
Office Equipment		51,655	10,000	4,000	10,000
Stock & WIP		65,000	25,000	Nil	25,000
Vehicles		58,388	26,500	21,000	26,500
Equity in Financed Equipment		375,000	25,000	Nil	25,000
TOTAL		1,085,273	426,194	156,194	404,524

Book Value – The book value figure for goodwill (Nil) has been taken from the last available management accounts.

The book value figure for the debtors have been taken from the Company records. It should be noted that these debts are subject to an invoice finance agreement with Close, who were owed £220,707.48 and €71,514.41 on our appointment.

The book value of the plant & machinery has been taken from the management accounts as at 31 July 2018. It should be noted that the gross value of the plant & machinery (including financed and unencumbered) totals £478,301. Our agent has provided

an estimated split of the book value between financed and unencumbered plant & machinery as above. It should be noted that a sum of £183,000 remained due to Close Asset in respect of an asset finance agreement, secured against the financed plant & machinery.

The book value of the office equipment (£51,655) and vehicles (£58,388) have been taken from the management accounts as at 31 July 2018. It should be noted that the vehicles are subject to asset finance agreements.

The book value of the stock & WIP has been estimated by the directors.

High Value – The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently without compulsion.

CRM have advised that the debtors would have a high equity value, after repayment of RBIF/Close IF's indebtedness, of £29,000. CRM's high valuation assumes business continuity and retention of key people within any new or purchasing business.

The high value of the physical assets have been taken from the valuation conducted by CAM and assumes the assets are sold in-situ with a significant period of marketing. The value for financed equipment is after the value after repayment of the relevant financiers indebtedness.

Low value – The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion, with the added assumption that the equipment is valued for removal from the premises at the expense of the purchaser following a restricted marketing period (30 days). The low value is typically reflective of a cessation of trade.

CRM have advised that the low value would result in a shortfall of £162k to RBSIF / Close IF. CRM's low valuation assumes disrupted/complete cessation of service and lack of access to key employees.

The low value of the physical assets have been taken from the valuation conducted by CAM and assumes the assets are sold on a forced sale basis, ex-situ basis with marketing constraints.

Value achieved – The value achieved for the business and assets. It should be noted that the amount achieved in respect of the debtors includes a sum of €71,514.41, which has been converted to £62,816.40 (Exchange rate of 0.878 as at 9 October 2018)

An explanation of the sale of the assets compared to those valuations

Financed Debts

- 4.6 As detailed above, Close IF provided an invoice finance facility to the Company.
- 4.7 At the date of the Joint Administrators appointment, the Company held a gross funded ledger of £431,929. A sum of £220,707.48 and €71,514.41 (converted to £62,816.40 for illustrative purposes) remained outstanding to Close on our appointment.
- 4.8 CRM conducted a review of the Company's book debt ledger to provide their opinion as to the recoverability of the ledger accounting for provisions for potential bad debts.
- 4.9 CRM advised of the following risks in collection of the ledger:
 - Concentrated ledger, as the top 3 debtors make up 50% of the ledger;
 - Novation of a formal agreement with the major debtor not previously discussed or approved with the customer;
 - Retrospective rebates provided to customers which would affect the level of collections on offset;

- Potential mis-allocation of cash however considered small risk;
- Terms and conditions potentially onerous if subject to disruption of service;
- Export debt in place, therefore subject to exchange rate fluctuations and costly to take legal action; and
- Credit insurance policy may lapse if the Company enters into an insolvency process.

4.10 CRM provided their opinion based upon the estimated collectable balance and after applying specific provisions and further general provisions to reflect the insolvency, valued the ledger on a high basis to achieve a surplus, over and above the sums due under the invoice finance agreement, of £29k. CRM estimated that on a low basis, it was anticipated that the invoice financier would incur a shortfall of £169k.

4.11 The Purchasers offer included £1,000, plus RBSIF / Close IF's indebtedness, for the debtors. This offer was subsequently recommended for acceptance by CRM.

Physical Assets (including plant & machinery, office equipment, stock & WIP and vehicles)

4.12 CAM, RICS registered valuers, attended site to assess the value of these assets on the basis of an open market in-situ basis (high) and a forced sale basis (low). Valuations on this basis provide an estimated outcome in a pre-packaged in-situ sale and a distressed forced sale basis respectively.

4.13 The plant & machinery held related mainly to printing equipment, including cutting machines, wrapping machines, sewing machines, laminators etc. A number of these items, which typically were of the higher value, were subject to an asset finance agreement with Close Asset. CAM advised that the unencumbered plant & machinery had a value of between £10,000 and £27,500 and the financed Plant & Machinery had a value of between Nil and £25,000, after repayment of the sums due to Close Asset.

4.14 The Company also held office furniture and equipment, made up of desktop and laptop computers, server equipment, desks, chairs etc. These assets also included improvements made to the leasehold building. CAM advised that these assets had a value of between £4,000 and £10,000.

4.15 CAM also held discussions with the directors with regards the stock & WIP held by the Company. It was estimated that stock with a book value of £65,000 was held. After deducting provisions for unpaid stock, stock held for over 12 months and costs of removal, CAM provided an estimate of value of between £Nil and £25,000.

4.16 The Company also held 4 vehicles which were subject to asset finance agreements. CAM conducted a review of the agreements and also provided a valuation of these vehicles after repayment of the asset finance. CAM estimated these vehicles to have a value of between £21,000 and £26,500

4.17 As the offers received for these assets from the Purchaser were at the high end of the valuations received, the offers were recommended for acceptance by CAM.

If no valuation has been obtained, the reason for not having done so and how the administrator was satisfied as to the value of the assets.

4.18 A formal valuation was not obtained for the goodwill.

4.19 The value achieved for the goodwill was after a period of marketing, where no formal offers were received from any party other than the Purchaser. The value has been determined on the open market.

4.20 Should a sale not have been completed to the Purchaser, then we do not expect that any value would have been achieved in respect of the goodwill.

5 THE TRANSACTION

5.1 A sale of the Company's business and assets was completed on 9 October 2018 to Vision on Display Limited (CRN: 09685205), a connected company pursuant to sections 249 and 435 of The Insolvency Act 1986 by virtue of the fact that the directors of the Company, Paul Dunnill and Virginia Mehaffey, are also directors and shareholders of the Purchaser.

5.2 The sales consideration of £404,524 was apportioned as follows:

FIXED CHARGE ASSETS	£
Goodwill (including Business Information & Intellectual property)	5,000
Book Debts	*285,524
FLOATING CHARGE ASSETS	
Fixtures, Fittings & Equipment	2,500
Equity in Financed Assets	25,000
Plant & Machinery	27,500
Motor Vehicles	26,500
Stock and Customer Contracts	25,000
TOTAL	<u>404,524</u>

* Made up of £221,707.48 and €71,514.41 (Euro amount converted at a rate of 1.14 for illustrative purposes, being £62,816.40)

5.3 The total sales consideration is payable as follows:

Date	
On completion	*£294,524
On or before 8 November 2018	£12,250
On or before 8 December 2018	£12,250
On or before 8 January 2019	£12,250
On or before 8 February 2019	£12,250
On or before 8 March 2019	£12,250
On or before 8 April 2019	£12,250
On or before 8 May 2019	£12,250
On or before 8 June 2019	£12,250
On or before 8 July 2019	£12,000
Total	<u>£404,524</u>

* Made up of £221,707.48 and €71,514.41 (Euro amount converted at a rate of 0.878 for illustrative purposes, being £62,816.40)

5.4 The initial payment of £294,524 has been received by the Joint Administrators. The deferred element has been secured by way of a debenture, incorporating Fixed and Floating charges over all assets, granted by the Purchaser. It should be noted that the debenture is subject to a Deed of Priority in favour of Close IF, who are funding the Purchaser. Personal guarantees have also been provided by Paul Dunnill & Virginia Mehaffey.

5.5 It should be noted that £284,524 of the sums received on completion have been paid to Close IF under their fixed charge pursuant to their security held.

5.6 It should be noted that any cash at bank is specifically excluded from the sale.

- 5.7 The Company employed 52 staff, all of which have transferred under the TUPE regulations to the Purchaser.
- 5.8 The sale is not part of a wider transaction and no clauses are included as part of the agreement.
- 5.9 The Joint Administrators granted the a licence to occupy the leasehold premises at Unit 6, Roundwood Industrial Estate, Ossett, West Yorkshire, WF5 9SQ for a period up to 8 April 2019. The licence fee is equivalent to sums due under the lease.
- 5.10 We are aware that Paul Dunnill & Virginia Mehaffey provided personal guarantees to RBSIF and Close IF. We understand that Close are providing funding to the Purchaser.
- 5.11 We also understand that personal guarantees were provided by Paul Dunill & Virginia Mehaffey to Close Asset. We are aware that the Purchaser is in discussions with Close Asset with regards to the novation of the asset finance agreement.
- 5.12 Paul Dunnill & Virginia Mehaffey are involved in the management of the Purchaser.

Pre Pack Pool

- 5.13 The Purchaser, as an interested party and connected to the Company, was advised of the Pre-Pack Pool ("Pool") prior to the appointment. A letter was subsequently sent and emailed on 2 October 2018, advising them of this option. The Purchaser did not approach the pool in this instance.

Viability Statement

- 5.14 A letter was sent and emailed to the director of the Purchaser on 2 October 2018 requesting a copy of the viability statement together with any submissions to the Pool. The Purchaser did not prepare a viability statement stating how the purchasing entity will survive for at least 12 months from the date of the proposed purchase.

6 STATUTORY PURPOSE OF ADMINISTRATION

- 6.1 The Joint Administrators must perform their functions with the objective of:
 - (a) Rescuing the Company as a going concern, or (if this cannot be achieved)
 - (b) 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), or (if (a) and (b) cannot be achieved)
 - (c) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 6.2 As mentioned previously, we are obliged to perform our functions in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of the creditors as a whole.
- 6.3 In this instance it is not considered that objective (a) will be achieved given the level of debts of the Company. It is a considered that objective (b) will be achievable as realisations are greater than those anticipated had the company had been wound up. In addition the transfer of 53 staff has mitigated any claims that may arise on insolvency. In the event that objective is not achievable it is considered that objective (c) has been achieved as the sale has allowed Close to be repaid in full under their security.

- 6.4 We confirm that, in our opinion, the transaction will enable the statutory purpose to be achieved and that the sale price achieved was the best reasonably obtainable in all the circumstances.

PRIVACY NOTICE

Information we collect and hold about you

By requesting details of your claim in this insolvency, we may collect Personal Data from you, particularly if you are a consumer creditor, a sole trader or are lodging a claim in your personal capacity.

Personal Data is information relating to a living individual. Whenever Personal Data is processed, collected, recorded, stored or disposed of it must be done within the terms of the General Data Protection Regulation ("the GDPR"). Examples of Personal Data include but may not be limited to your name, address, telephone number and email contact details.

If you do not provide us with the information we require, this may adversely affect our ability to deal with your claim, but we would ask you not to submit more Personal Data than we request from you.

Legal justification for processing your Personal Data

The processing of your Personal Data by us is necessary to enable us to comply with legal obligations under the Insolvency Act 1986 and associated legislation which we are subject to as Insolvency Practitioners.

How we use your information

All information you supply to us is required to enable us to comply with our duties under the Insolvency Act 1986 and associated legislation. It will be used to enable us to assess the extent of the insolvent entity's liabilities, to allow you to vote on any decision procedures, to enable us to communicate with you, to process your claim and to pay any dividends which may be due to you from the insolvent estate.

Who we share your information with

We may be required to share some of your Personal Data with other creditors. The data which will be shared with other creditors will be limited to that specifically required to be disclosed under insolvency legislation.

We may share some of your information with our Data Processors. Data Processors include solicitors, accountants and employment law specialists who assist us with our duties where required. We will only share your information with our Data Processors if we require their specialist advice. All of our Data Processors are subject to written contracts with us to ensure that your Personal Data is processed only in accordance with the GDPR.

How long will we hold your Personal Data for?

We will need to hold your Personal Data for a period of time after the insolvency has been concluded. This is to enable us to deal with any queries which might arise. Our Records Management Policy requires us to destroy our physical files 6 years after closure of the case. Electronic data files will be removed from our Case Management System 6 years after conclusion of the case but may be held on our server for a longer period of time but with restricted access.

Your rights in respect of your Personal Data

You have the right to request access to your Personal Data and to require it to be corrected or erased. You also have the right to request a restriction in the way we process your Personal Data or to object to its processing. You should be aware however that we may not be able to comply with your request if this would affect our ability to comply with our legal obligations.

You have the right to Data Portability. This is a right to have the Personal Data we hold about you to be provided to you in a commonly used and machine-readable format so that you can transfer that Data to another organisation in a way that is not too onerous to upload the Data.

Your right to complain

You have the right to be confident that we are handling your Personal Data responsibly and in line with good practice. If you have a concern about the way we are handling your Personal Data you should contact our Privacy Manager in the first instance.

If you are unable to resolve your concerns with us, you have the right to complain to the Information Commissioners' Office. The Information Commissioner can be contacted at Wycliffe House, Water Lane, Wilmslow, Cheshire SK6 5AF or on 0303 123 1113.

Contacting us

If you have any questions relating to the processing of your Personal Data, please write to our Privacy Manager at Leonard Curtis, Level 5, The Grove, 248A Marylebone Road, London NW1 6BB Alternatively our Privacy Manager can be contacted by telephone on 0207 535 7000 or by email: privacy@leonardcurtis.co.uk.

Data Controller: LEONARD CURTIS

APPENDIX K

Insolvency (England and Wales) Rules 2016

Rule 3.39

Notice of an Invitation to Creditors to Form a Creditors' Committee

In the:	HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN MANCHESTER - COMPANY & INSOLVENCY LIST (CHD)	No:	2912 OF 2018
Re:	VISION ON DESIGN LIMITED (IN ADMINISTRATION)		
Previous Name:			
Registered No:	05778230		
Address of Company	UNIT 6, ROUNDWOOD IND EST, OSSETT, WEST YORKSHIRE, WF5 9SQ		

NOTICE IS HEREBY GIVEN, IN ACCORDANCE WITH PARAGRAPH 57 OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986, RULE 3.39 AND PART 17 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016, THAT creditors are invited to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of that committee. Andrew Poxon and Julien Irving invite creditors to put forward their nominations for membership of the committee. Such nominations must be received by the date specified in this notice. The Joint Administrators can only accept nominations if they are satisfied as to the creditors' eligibility under Rule 17.4 of the Insolvency (England and Wales) Rules 2016.

Nominations must be received by:
and should be delivered to:

6 December 2018
Julien Irving and Andrew Poxon
Tower 12, 18/22 Bridge Street
Spinningfields
Manchester
M3 3BZ
Tel: 0161 831 9999
Email: recovery@leonardcurtis.co.uk

Signed:		Dated:	
---------	--	--------	--

Creditors are referred to section 1.18 of this report for a link to guidance for creditors as to the roles, duties and responsibilities of members of creditors' committees.