

**2.17B**

The Insolvency Act 1986

**Statement of administrator's proposals**

Name of Company  Fox Wire Limited	Company number  06293609
In the  High Court of Justice, Chancery Division, Leeds District Registry  (full name of court)	Court case number  1270 of 2014

(a) Insert full  
name(s) and  
address(es) of  
administrator(s)

We  
Andrew Philip Wood  
The P&A Partnership Limited  
93 Queen Street  
Sheffield  
S1 1WF  
DX 10616 Sheffield

Ashleigh William Fletcher  
The P&A Partnership Limited  
93 Queen Street  
Sheffield  
S1 1WF  
DX 10616 Sheffield

\*Delete as  
applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 10 February 2015

Signed

Andrew Philip Wood  
Joint Administrator

Dated

10 February 2015

**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to researchers of the public record

Andrew Philip Wood  
The P&A Partnership Limited  
93 Queen Street  
Sheffield  
S1 1WF  
DX 10616 Sheffield

0114 2755033

DX Number 10616  
DX Exchange Sheffield

When you have completed and signed this form, please send it to the  
Registrar of Companies at -  
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

WEDNESDAY



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COMPANIES HOUSE

**FOX WIRE LIMITED  
IN ADMINISTRATION**

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**Joint Administrator's Statement of Proposals to Creditors  
pursuant to Paragraph 49 of Schedule B1 to the  
Insolvency Act**

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**Andrew Philip Wood & Ashleigh William Fletcher  
Joint Administrators**

**The P&A Partnership Limited  
93 Queen Street  
Sheffield  
S1 1WF**

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**IN THE MATTER OF FOX WIRE LIMITED ("the Company")**

**AND**

**IN THE MATTER OF THE INSOLVENCY ACT 1986**

**STATEMENT OF JOINT ADMINISTRATORS' PROPOSALS  
PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1  
TO THE INSOLVENCY ACT 1986 ("THE ACT")**

**1 INTRODUCTION**

- 1 1 On 22 December 2014 the directors filed a Notice of Appointment of Administrators pursuant to Paragraphs 22 and 29 of Schedule B1 to the Act. Andrew Philip Wood and Ashleigh William Fletcher of The P&A Partnership Limited, 93 Queen Street, Sheffield S1 1WF were appointed Joint Administrators of the Company.
- 1 2 The Joint Administrators are licensed to act as Insolvency Practitioners in the UK by the Insolvency Practitioners Association. In accordance with Paragraph 100 (2) of Schedule B1 to the Act, the Joint Administrators may exercise any or all of their functions acting jointly or alone.
- 1 3 It is considered that the EC Regulation on insolvency proceedings will apply and that these proceedings will be the main proceedings as defined in Article 3 of the EC Regulation.
- 1 4 The Administration is registered in the High Court of Justice, Chancery Division, Leeds District Registry, under reference number 1270 of 2014.
- 1 5 This document sets out the Joint Administrators' proposals for achieving the purpose of the Administration as required by Paragraph 49 of Schedule B1 to the Act.

**2. STATUTORY INFORMATION**

Company name	Fox Wire Limited
Registered address	93 Queen Street Sheffield S1 1WF  Formerly - Sheephouse Wood Stocksbridge Sheffield S36 4GS
Other trading names of the Company	None
Company number	06293609
Date of incorporation	26 June 2007
Objects	Manufacture of Wire & Stainless Steel
Authorised capital	100,000 shares of £1 each

Issued capital	100,000 shares of £1 each
Shareholders	Fox Industrial Holdings Limited – 100,000 shares of £1 each
Debenture holders	<p>HSBC Bank plc (“HSBC”) hold a debenture dated 23 April 2009, incorporating fixed and floating charges</p> <p>HSBC Invoice Finance (UK) Limited (“HSBCIF”) hold a debenture dated 10 September 2009, incorporating fixed and floating charges</p> <p>Finance Yorkshire Equity LP (“FY”) hold a debenture dated 8 April 2013, incorporating fixed and floating charges</p>
Directors	<p>Oliver Baker (Managing Director)</p> <p>Jonathan Mark Baxter</p> <p>Shaun Stancliffe</p> <p>Jonathan Rigby</p> <p>David Fletcher (Non-Executive Director)</p>
Company Secretary	Oliver Baker

### 3. ADMINISTRATION OBJECTIVE

- 3 1 The Joint Administrators of the Company must perform their functions with the purpose of achieving one of the following objectives -
- firstly, rescuing the Company as a going concern,
  - secondly, 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
  - thirdly, realising property in order to make a distribution to one or more secured or preferential creditors
- 3 2 The first objective of Administration, namely rescuing the existing company as a going concern, could not be achieved due to the extent of its insolvent status
- 3 3 The second objective of Administration, namely, achieving a better result for the Company’s creditors as a whole than would be likely if the Company was wound up without first being in Administration, is not currently anticipated to be achieved given the anticipated level of realisations and the indebtedness of the Company’s secured creditors. However, should realisations be significantly higher than anticipated, there may be a distribution available to unsecured creditors under the provisions of the Prescribed Part (details of which are provided in section 11 of this report)
- 3 4 Notwithstanding the above, the third objective of Administration has been achieved, as HSBCIF have been repaid in full. Furthermore, it is anticipated there will be a distribution to HSBC from the book debt surplus. This is therefore the main objective of the Administration.
- 3 5 Based on current information and estimates, it is not anticipated that realisations from the Company’s assets will be sufficient to enable a distribution to be made to the Company’s unsecured creditors, other than possibly through the Prescribed Part, should realisations exceed current expectations. Therefore, we do not intend to convene an initial creditors’ meeting. This is to minimise the costs of the Administration.

#### **4. CIRCUMSTANCES SURROUNDING THE APPOINTMENT OF THE JOINT ADMINISTRATORS**

- 4 1 The information provided in paragraphs 4 2 to 4 22 is based upon the Company's records and explanations given by the directors, the accuracy of which the Joint Administrators are unable to vouch for We cannot therefore be held personally liable for errors or misstatement of fact contained therein
- 4 2 The business was established in 1833 and was acquired by Samuel Fox in 1851
- 4 3 More recently the business was owned by British Steel until it was privatised in 1985, at which time it changed its name to Fox Wire Limited
- 4 4 Following a number of buyouts, the business was acquired by its current owners in 2007
- 4 5 Since this date the Company has offered specialised wire products to a number of customers, both within the UK and overseas
- 4 6 Following the downturn in trade after the latest recession, the Company experienced significant financial problems and in 2012 successfully underwent a period of restructuring, with the introduction of equity from FY
- 4 7 Despite this injection of funding, the Company continued to experience cashflow difficulties
- 4 8 The Company operated from leased trading premises which were both excessive in size and in rental liabilities Whilst the landlord had agreed to a rent reduction as part of the 2012 restructure, the costs of occupying the premises continued to be a heavy burden on the Company
- 4 9 Due to the size and nature of the manufacturing plant, relocating was anticipated to be a long and expensive process, something that the Company could not undertake given its financial position
- 4 10 The directors looked at expanding the Company's product lines into more specialised areas however, these were deemed too difficult and costly to develop
- 4 11 Whilst the more traditional markets were also reviewed, the Company was reliant upon the supply of wire from either a main supplier in the UK, who was in a position to charge a healthy mark-up on goods, or from suppliers in the Far East who required payment on a pro-forma basis
- 4 12 In August 2014 the Company's position worsened when it was hit by several unexpected issues The first issue was that the Company's well services division was unable to manufacture goods by approximately 50%, thereby reducing turnover
- 4 13 In addition to this, one of the Company's main customers reduced demand by £100,000 Whilst this customer subsequently placed further orders, these orders were later than expected and the Company was unable to get the goods manufactured in the time required
- 4 14 During this time the Company had struggled to fund the purchase of raw materials, thereby resulting in a further loss of manufacture
- 4 15 Whilst the directors continued to believe that the core business was viable, it was clear that additional funds were required to safeguard the long term future of the Company Castle Square ("Castle") were therefore approached by the directors with a view to the Company raising further funding Castle had successfully brokered the 2012 restructuring referred to above
- 4 16 In Mid-October 2014, The P&A Partnership Limited was asked to meet with the directors of the Company and Castle with a view to advising the directors of their fiduciary duties given the Company's financial position was deteriorating

- 4 17 In the following months we were kept informed of interest from a number of equity providers however, the majority of these either failed to perform or required unacceptable terms which would have reduced the security of HSBC, HSBCIF and FY Throughout this process HSBC, HSBCIF and FY had been kept abreast of developments by P&A and the directors
- 4 18 Despite the above, a third party funder confirmed that they were in a position to provide funding However, after several indications that a solvent solution would be forthcoming, this funder subsequently advised the directors that they would only fund the business if a sale was completed via a pre-pack through Administration
- 4 19 As a result of the above, discussions were entered into between ourselves and the proposed funder With the assistance of our agents, Charterfields Limited ("Charterfields"), and our solicitors Irwin Mitchell LLP ("Irwin Mitchell") an offer was received, albeit this was after several weeks of delay by the proposed funder
- 4 20 Having received the offer, and having recommended the offer to all of the Company's secured creditors, including the Bank, HSBCIF and FY, a Sale and Purchase Agreement ("SPA") was prepared and issued
- 4 21 On Friday 19 December 2014, the proposed funder following meetings with the Company's directors, decided to withdraw their offer
- 4 22 As the directors had already filed two Notices of Intention to Appoint Administrators, to ensure that the Company had protection while a pre-pack was agreed, the directors had no alternative than to appoint Administrators on Monday 22 December 2014

## 5. STATEMENT OF AFFAIRS

- 5 1 Attached at Appendix A is a summary of the Directors' Estimated Statement of Affairs of the Company as at the date of our appointment, 22 December 2014
- 5 2 Where more up to date information/values are available, these have been referred to in this report Any discrepancies in relation to preferential claims, Legion and asset realisations will therefore be explained in our future reports once all matters have been finalised

## 6. ADMINISTRATION STRATEGY

- 6 1 Shortly prior to our appointment we were advised that the Company had commenced its Christmas wind down procedure, with the majority of the manufacturing employees having finished for the Christmas period Due to our impending appointment, all employees were asked to attend a meeting at the Company's trading premises on 23 December 2014
- 6 2 The Company's employees were notified of the Administration and were made redundant with effect of 31 December 2014, the date up to which they had received their pay The directors, who had not received any pay for two months, were also made redundant with effect from the same day
- 6 3 Due to the timing of our appointment, two days before Christmas, there was insufficient time to undertake a full review of the business and the strategies available for realising the Company's assets
- 6 4 In the short-term steps were taken to ensure that the key matters were addressed The landlord was informed of our appointment and agreed to waive rent until the new year on the basis that 24 hour security was put in place
- 6 5 We were aware that the Company had ordered some raw material from the Far East prior to our appointment, but understood that this was held by the haulier in Felixstowe

- 6 6 The Company's directors had advised that the proposed customer for this material was in need of the goods and was one of the Company's main customers. In an attempt to maximise realisations, and in an attempt to protect relationships in case a buyer for the business as a going concern could be located, discussions were held with this customer to establish their requirements in this respect.
- 6 7 The customer confirmed that they were in need of the goods and that they would be willing to enter into a contractual agreement confirming that they would pay the majority of the sales price up front on the undertaking that the order would be fulfilled.
- 6 8 Having reviewed the proposal with the Company's directors, Irwin Mitchell were asked to draft the relevant contract. Upon execution of the agreement funds totalling £50,000 were received from this source.
- 6 9 On the basis that the Company's employees had been made redundant, and due to the Company having closed for Christmas, it was agreed that manufacture would commence in early January 2015, with a number of the Company's former employees agreeing to work on a sub-contractor basis.
- 6 10 Due to the stock required for the order being held in Felixstowe, the Joint Administrators contacted the haulier who had control of the stock, on 23 December 2014. Despite the Joint Administrators' attempts to negotiate reduced payment terms with the haulier, they refused to release the goods until all outstanding sums due from the Company had been paid. As such, sums totalling of £16,767 plus import VAT of £14,746 were paid to ensure that the goods were delivered to site on 5 January 2015.
- 6 11 Prior to our appointment the Company's machines had been turned down, on health and safety grounds, in anticipation of the Christmas period. As the machines would need to be fully operational to allow the above order to be completed, the Joint Administrators secured the assistance of a third party company to attend site over a number of days and increase the temperature of the furnace.
- 6 12 As the Company was not to be operational over the Christmas period, contact was made with the Company's insurance broker on 23 December 2014, to ensure that the policy remained in place.
- 6 13 On 6 January 2015, the Joint Administrators, along with Charterfields, attended site and undertook a review of all work in progress and finished goods. Having undertaken this review it was apparent that there were a number of orders which could be completed with very little work. As the machines would already be operational, it was deemed economically viable to complete these orders.
- 6 14 Whilst we had not received confirmation from a number of customers that they required their orders, Charterfields advised that finished goods would result in maximised realisations when compared to part finished work in progress.
- 6 15 During the period 5 January 2015 to 23 January 2015 all of the above detailed orders were completed. In addition, the Joint Administrators were contacted by a further customer enquiring whether the Company would be able to undertake some work on goods already purchased by the customer. Having reviewed the time involved in completing this work, and having reviewed whether the work would be profitable, such works were entered into and completed.
- 6 16 As a result of the above, net sales invoices totalling £154,805 have been raised. To date, £109,754 has been received with exchange rate credit notes of £454 being raised. On the basis that the Joint Administrators are asking customers to pay for the goods prior to delivery being arranged, it is anticipated that the balance of funds due will be received shortly.
- 6 17 Following cessation of production, Charterfields were instructed to sell the remaining finished goods and raw materials on site. Upon Charterfields' recommendation, such assets were included in a tender sale, with final bids being requested by noon on 5 February 2015. An update in relation to realisations from this source will be provided in our next report to creditors.
- 6 18 Subsequent to our appointment we have been contacted by seventeen suppliers who are seeking to claim retention of title over goods supplied to the Company.



- 6 19 Having invited each of these claimants to attend site and identify any goods over which they are claiming title, and having requested documentation to substantiate their claims, to date two suppliers have advised that they do not wish to proceed in this matter
- 6 20 One further claimant has confirmed that they will not be proceeding with their claim on the basis that they were unable to identify any goods on site Of the remaining fourteen claims, one claim has been accepted with the balance of suppliers being asked to provide further evidence to support the validity of their claims
- 6 21 In addition to the above, immediately following our appointment we were contacted by a third party, Legion Trade Finance Limited ("Legion") who advised that they had various claims over the Company's stock
- 6 22 Having discussed the matter with the Company's directors, and having reviewed the documentation supplied by Legion, we believe that Legion provided finance to the Company in return for title to stock via trust certificates
- 6 23 Given the complexities of this matter, Irwin Mitchell have been instructed to review Legions claim As this matter is ongoing, an update will be provided in our next report to creditors
- 6 24 In relation to the Company's business, shortly prior to our appointment we were aware of a number of third parties who were interested in purchasing the business for sale as a going concern Having requested offers by close of business on 9 January 2015, no offers were forthcoming
- 6 25 In light of the above, and having received forty eight expressions of interest from third parties in relation to the various assets, Charterfields recommended that the Company's plant and machinery be sold via auction
- 6 26 Charterfields also recommended that any old equipment which only has a scrap value, and any racking which is not deemed to be fixed to the premises, be included in this auction We anticipate that the auction will be held in early March 2015
- 6 27 Upon our appointment the Company owned 100% of the shares in a subsidiary company, Fox GmbH ("GmbH") Charterfields have been instructed to market these shares for sale and have confirmed that they are in correspondence with two third parties At present the level of realisations achievable from this source is uncertain
- 6 28 As at the date of our appointment the Company had four vehicles subject to third party finance and one wholly owned vehicle Charterfields advised that no equity was available in relation to the financed vehicles and therefore the relevant finance company was asked to collect these vehicles
- 6 29 Charterfields have been instructed to sell the wholly owned vehicle as soon as possible Realisations of approximately £8,000 are anticipated to be received from this source
- 6 30 Upon our appointment the Company traded from leased premises located at Sheephouse Wood, Stocksbridge, Sheffield S36 4GS Whilst the Company in Administration may be liable for rent for its period of occupation, due to the timing of our appointment, a request was made to the landlord for a rent free period until early January 2015, thereby giving the Joint Administrators time to assess the realisation strategies available
- 6 31 As the Joint Administrators had arranged for 24 hour security to be put in place from the date of their appointment, the landlord agreed to allow a short period of time for matters to be assessed
- 6 32 Due to the nature of the Company's business, upon our appointment there were various environmental issues which required serious consideration The Joint Administrators arranged for a health and safety inspection to be carried out by their insurers, which highlighted a number of concerns in relation to two chemical towers on site

- 6 33 On the basis that the Company did not require the use of these chemicals going forward, Charterfields were asked to obtain quotes for their removal. Having received a quote of approximately £35,000, Charterfields are in the process of arranging for the chemicals to be uplifted.
- 6 34 In addition to the above, the Company also has various obligations in relation to both environmental and water permits. Subsequent to our appointment legal advice was obtained in relation to the obligations on both the Company and the Joint Administrators personally.
- 6 35 Following a thorough review of the permits, the Joint Administrators secured the assistance of two third party companies in relation to the monitoring of matters such as the PH water levels. In addition, following the cessation of trade on site, the Joint Administrators have arranged for the Company's water towers to be decommissioned, to reduce the risk of legionella from the site.
- 6 36 Within the premises there are a number of empty pits where machinery had historically been located. Due to the risk of falling into these pits, discussions were entered into with the landlords agent in relation to agreeing how to safeguard the site. Whilst we initially proposed to fill the pits, following these discussions, the landlords agent has proposed that the pits be fenced off. Charterfields are currently reviewing the costs of such action and we await their recommendations before responding to the landlord.
- 6 37 Since the date of our appointment the Company's premises have been broken into on two occasions, resulting in damage to doors, power cables and assets. This damage has resulted in repairs being required as well as additional security and CCTV being installed.
- 6 38 Given the costs of occupying the site and adhering to the environmental permits which are substantial, Charterfields were instructed to enter into negotiations with the landlord to establish whether a rent free period could be agreed.
- 6 39 Having entered into detailed correspondence with both the landlord and the guarantor of the lease, it was agreed that rent would not be requested up until 25 March 2015, on the understanding that the Company undertook to resolve various environmental issues. Irwin Mitchell were instructed to formalise this by way of a written agreement which has now been signed by the relevant parties.
- 6 40 While rent will therefore not be payable from the Administration, costs of occupation such as rates and utilities will remain an expense.
- 6 41 Due to the significant costs anticipated to be incurred in this regard, upon their appointment the Joint Administrators considered not trading the business and vacating the premises as soon as possible. This would however have resulted in a number of assets having to be abandoned. Furthermore, we understand that a number of environmental liabilities would still have fallen on the Company regardless of whether it remained in occupation or not.
- 6 42 Upon our appointment the Company had a number of brand names, including Supa 75.
- 6 43 Subsequent to our appointment significant interest has been received in relation to this brand. Due to the level of interest received, Charterfields recommended that the brand name be included in the stock tender sale which took place during the week ended 6 February 2015.
- 6 44 An update in relation to the level of realisations achieved in this respect will be provided in our next report to creditors.
- 6 45 As at the date of our appointment, the Company's book debts were subject to an invoice discounting facility with HSBCIF. Subsequent to our appointment HSBCIF have taken the collection of the Company's four ledgers in house.
- 6 46 Having assisted HSBCIF with the collection of any debtor funds from customers wanting orders post our appointment, and having further assisted by collating and providing documentation in relation to the ledgers, we understand that HSBCIF have now been repaid in full.

- 6 47 HSBCIF will however continue to pursue the remaining ledger on the basis that any surplus funds from this source are payable to HSBC directly under their fixed charge. Whilst the amount of any surplus available to HSBC is currently uncertain, we estimate that funds totalling £200,000 may be available to HSBC.

## **7. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS**

- 7 1 A summary of the Joint Administrators' Receipts and Payments covering the period between 22 December 2014 to 10 February 2015 is attached as Appendix B.

## **8. PRE-APPOINTMENT PROFESSIONAL FEES**

- 8 1 As discussed in section four of this report, prior to our appointment, The P&A Partnership Limited was asked to provide advice to the Company in relation to its financial position, and to provide advice in relation to the fiduciary duties of the directors.
- 8 2 We were aware that the Company was seeking to obtain further funding which would have allowed the Company to undertake a solvent restructuring. However, given the uncertainty regarding this funding, The P&A Partnership Limited were asked to keep up to date with key elements of the business and to commence a review of the Company in case such funding was found to be unavailable.
- 8 3 Such advice and assistance was provided during the period October 2014 to December 2014 and consisted of reviewing contracts, entering into discussions with potential funders, liaising with the Company's secured creditors with regard to the Company's financial position, attending board meetings and participating in numerous conference calls.
- 8 4 Irwin Mitchell and Charterfields were instructed to assist The P&A Partnership Limited in relation to the above and provided significant legal advice on the possible actions being taken and the value of the Company's assets on both a going concern and break-up basis.
- 8 5 Subsequently, time was spent negotiating a proposed pre-pack sale and drafting the relevant sale and purchase agreement in this respect.
- 8 6 Whilst neither a solvent refinance or a pre-pack sale were achieved, we believe that undertaking the above pre-appointment work allowed us to understand the requirements of the business sufficiently to take a last minute and unanticipated appointment without a pre-pack sale being completed. This in turn is anticipated to ensure that realisations in this matter are maximised, thereby helping us achieve our purpose of distributing to the Company's secured creditors.
- 8 7 Pre-appointment fees and expenses incurred by the Joint Administrators are as follows -
- 8 7 1 The P&A Partnership Limited incurred costs of £47,470 during the pre-appointment period. Attached at Appendix C is a SIP 9 time analysis which provides a breakdown of these costs. The work we undertook during this period is detailed above.
- 8 7 2 As also detailed above, Charterfields were involved in a number of pre-appointment matters and valued the Company's business and assets. Charterfields also attended numerous meetings in relation to the potential refinance and proposed pre-pack as well as preparing heads of terms for the proposed sale. Charterfields have advised that their fees for this pre-appointment work totals £17,500 plus nominal travel disbursements.
- 8 7 3 Irwin Mitchell were instructed to assist in providing legal advice in relation to the options available prior to our appointment. They also provided advice in relation to the legal status of each secured creditor, as well as drafting a sale and purchase agreement in relation to the proposed pre-pack sale. Irwin Mitchell also prepared the formal documentation required to appoint the Administrators. Irwin Mitchell's pre-appointment fees, on a time cost basis, total £75,726.15 plus disbursements of £173. No payments have been made in relation to the above to date.

- 8 8 The pre-appointment costs are to be approved by the Company's secured creditors. On the basis that both Irwin Mitchell and The P&A Partnership Limited have agreed to use discounted HSBC rates, it is anticipated that pre-appointment costs will be authorised as follows -

	£
Office Holders	33,278
Irwin Mitchell	60,000
Charterfields	17,500

## 9. POST APPOINTMENT PROFESSIONAL FEES

- 9 1 Attached at Appendix D is a SIP 9 time analysis showing that our post-appointment time costs to date total £86,490
- 9 2 A guide to the fees, expenses and disbursements charged by The P&A Partnership Limited is attached to this document. A Creditors' Guide to Fees is available and provides explanations of creditors' rights. This can be accessed via the Internet at <http://www.thepandagroup.co.uk/requirements> or alternatively a copy can be requested by telephoning The P&A Partnership Limited Help Desk +44 (0)114 275 5033
- 9 3 The payment of our post-appointment remuneration is subject to the approval of creditors and is separate to the approval of the resolutions detailed in sections 8 and 10. We therefore propose the following resolutions in respect of our post-appointment remuneration
- 9 3 1 The basis of remuneration may be fixed as one or more of the following basis
- On a time cost basis by reference to the time properly given by the insolvency practitioner and their staff,
  - As a percentage of the value of assets realised and/or distributed,
  - As a set amount,
  - Or any combination of the above
- 9 3 2 Based on current estimates, there are no funds available to distribute to the unsecured creditors and therefore the approval of the Joint Administrators' remuneration will fall upon each secured creditor of the Company or, where a distribution is made or proposed to the preferential creditors, with the approval of each secured creditor and the preferential creditors whose debts amount to more than 50% of the preferential debts, disregarding those preferential creditors who do not respond to an invitation to give or withhold approval. It is proposed that remuneration of the Joint Administrators shall be fixed in the sum of £150,000 (of which £116,722 relates to post-appointment work) unless realisations exceed our current expectations, upon which time a further fixed fee may be agreed with the secured creditors. It is anticipated that this fee will represent the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration to be determined by the rates applied by the firm of The P&A Partnership Limited for work of this nature from time to time as shown in Appendix D,
- 9 3 3 the Administrators will be authorised to pay the costs (fees and expenses) of the Appointor in connection with the appointment of the Administrators and any other person in giving notice of intention to appoint Administrators, in accordance with the order of priority scheduled in Rule 2.67 the Rules,
- 9 3 4 the Joint Administrators may from time to time draw fees on account of their remuneration based on the method of calculation set out above,
- 9 3 5 the Joint Administrators are to be reimbursed for any expenses or necessary disbursements properly charged or incurred in the course of carrying out their duties in this matter and these expenses include category 1 disbursements of legal and agents' fees and other direct costs

9 3 6 The Joint Administrators are authorised to be reimbursed for category 2 disbursements for services provided by their firm in accordance with Statement of Insolvency Practice 9 as shown in their disbursements policy at Appendix E

9 4 Additional post-appointment professional costs are as follows -

9 4 1 As stated at paragraph 8 4, we have retained the services of Charterfields and they are to be paid a fee equating to 10% of the sales realisations plus disbursements. In addition, Charterfields have anticipated that they will have additional time costs of £35,000 in relation to non-sale related work (including time spent attending site visits, being involved in conference calls and meetings concerning the strategies to be adopted, assistance in relation to continued trading and attending meetings with Legion in relation to their claim)

9 4 2 Charterfields also anticipate incurring disbursements of £10,000. These relate to marketing costs and payments to third parties in relation to the clean-up costs on site.

9 4 3 Irwin Mitchell remain instructed to provide legal advice and continue to provide assistance in relation to the occupation terms of the property, the environmental obligations on the Company and the Administrators, and to the claim received from Legion. Additional general legal advice is also being provided as and when necessary. It is anticipated that Irwin Mitchell's post appointment fees will be based on a fixed fee of £30,000 (at HSBC rates) plus disbursements of £62

9 5 The remuneration of Charterfields and Irwin Mitchell's post-appointment costs is a category 1 disbursement and approval of these costs is covered by the resolution proposed at paragraph 9 3 5

## **10. JOINT ADMINISTRATORS' PROPOSALS TO ACHIEVE THE PURPOSE OF THE ADMINISTRATION**

10 1 The Joint Administrators make the following proposals for achieving the purpose set out in Paragraph 3 of Schedule B1 to the Act

10 1 1 to realise the property in order to make a distribution to one or more secured or preferential creditors,

10 1 2 in addition, they do all other things and generally exercise all powers as Joint Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration, to protect and preserve the assets of the Company or maximise the realisation of those assets in the interests of the Company's creditors as a whole,

10 1 3 a creditors' committee be established,

10 1 4 the Joint Administrators may seek an extension of the Administration period if necessary,

10 1 5 upon completion of the proposal at 10 1 above and upon the settlement of the Administration expenses and liabilities, should the Joint Administrators need to disclaim any onerous property, such as the lease or the Company's environmental permits, the Joint Administrators propose that they either make an application to court to place the Company into Compulsory Liquidation or, file the requisite notice pursuant to Paragraph 83 of Schedule B1 to the Act to ensure that the Company is placed into Creditors Voluntary Liquidation

The form of Liquidation which is appropriate will be determined by whether there are sufficient funds to distribute to unsecured creditors. It is however proposed that should the Company proceed into Creditors Voluntary Liquidation, that the Joint Administrators be appointed as Joint Liquidators of the Company. In accordance with Section 231 of the Act, should the nominated Liquidators be appointed, they may exercise any or all of the functions of the Joint Liquidators, jointly or alone

Creditors should note that in accordance with Paragraph 83(7)(a) of Schedule B1 to the Act and Rule 2.117A(2)(b) of the Rules, they 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,

You should note that if the Joint Administrators consider it more expedient to make a distribution to the unsecured creditors in the Administration, they may seek an order of the court to permit this rather than proceeding to liquidation if all other matters are concluded. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration concluded.

10.16 or, in the event the Joint Administrators conclude that the Company's property is insufficient to permit any or further distributions to its creditors, and assuming all onerous leases and permits can be surrendered, then the Joint Administrators will seek the dissolution of the Company pursuant to Paragraph 84 of Schedule B1,

10.17 The Company's affairs will continue to be managed by the Joint Administrators and their agents and such management will be financed from the realisation of the Company's assets within the Administration,

10.18 Subject to the approval of creditors the Joint Administrators will be discharged from liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, directly after their appointment as Joint Administrators ceases to have effect.

## **11. ESTIMATED OUTCOME**

### **11.1 Secured Creditor (s)**

As at the date of our appointment, the Company was indebted to HSBC in the approximate sum of £571,117. The outstanding balance related to an import facility line and a term loan facility. Whilst the outcome for the bank is entirely dependent upon the level of realisations available from the tender and auction sales, as well as the surplus available from HSBCIF, based on current information it is anticipated that the Bank will suffer a shortfall in the approximate sum of £470,742. Please however note that due to the limited funds available, and the level of costs incurred, the Joint Administrators are asking HSBC to fund a proportion of all professional costs. If such fees are agreed, the shortfall to HSBC will increase.

In addition to the above, upon our appointment HSBCIF had an indebtedness of £273,294. We understand that HSBCIF have now been repaid in full in this matter.

FY had an indebtedness of approximately £1,300,000 as at 22 December 2014, the date of our appointment. Based on current information FY will suffer a 100% shortfall in this respect.

### **11.2 Preferential Creditors**

The Company made six employees redundant prior to our appointment and made the remaining forty five employees redundant on the date of our appointment. The Company had failed to make any compensatory payments to these former employees. The Joint Administrators anticipate that preferential claims will total £24,807. Based on current information we anticipate that there will be insufficient funds to enable a dividend to be made to this class of creditor.

Please however note that as detailed above, should realisations be considerably higher than anticipated, it is possible that a dividend will be available in this matter.

### **11.3 Unsecured Creditors**

The Company's books and records indicate that the claims of the unsecured creditors amount to £2,455,622.

As stated above, based on current information, we do not anticipate that realisation will be sufficient to enable a dividend to be paid to unsecured creditors

- 11 4 Within the Act there are provisions for a fund, called the Prescribed Part, to be set aside for distribution to the unsecured creditors. The fund is calculated on the net realisations of property subject to a floating charge contained in a debenture created on or after 15 September 2003. The floating charge was created on 23 April 2009 therefore, the above provisions will apply

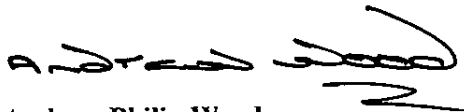
As the Company's Net Property is currently anticipated to be less than £10 000, a distribution to unsecured creditors under section 176A of the Act is unlikely

If realisations are considerably higher than anticipated we will not apply to the Court under Section 176A(5) of the Act to disapply the Prescribed Part provisions

## **12. FUTURE REPORTING**

- 12 1 We are required to provide a progress report within one month of the expiry of the first six months of the Administration

Dated this 10th day of February 2015



**Andrew Philip Wood**  
**Joint Administrator**  
**Acting as agent of the Company**  
**without personal liability**

**FOX WIRE LIMITED – IN ADMINISTRATION**

**APPENDIX A**

**DIRECTORS' ESTIMATED STATEMENT OF AFFAIRS**

**All creditors are reminded to complete and return the enclosed Proof of Debt Form in order to formally lodge their claim as an unsecured creditor of the Company.**



# A – Summary of Assets

Assets

Assets subject to fixed charge

(see attached schedule)

Assets subject to floating charge

(see attached schedule)

Uncharged assets

Estimated total assets available for preferential creditors

Signature



Date

13/1/15

Book Value £	Estimated to Realise £
952,376	202,451
462,521	84,427
Nil	Nil
1,414,898	286,878

## A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential Creditors (carried from page A)	£ 268,878
Liabilities	£
Preferential creditors -	(19,011)
Estimated deficiency/surplus as regards preferential creditors	£ 267,867
Estimated prescribed part of net property where applicable (to carry forward)	£ (56,573)
Estimated total assets available for floating charge holders	£ 211,294
Debts secured by floating charges	£ (1,300,000)
Estimated deficiency/surplus of assets after floating charges	£ (1,088,706)
Estimated prescribed part of net property where applicable (brought down)	£ 56,573
Total assets available to unsecured creditors	£ (1,032,133)
Unsecured non-preferential claims	£ (3,758,170)
Estimated deficiency after floating charge where applicable (brought down)	£ 1,088,706
Estimated deficiency/surplus as regards creditors	£ (3,701,597)
Issued and called up capital	£ (100,000)
Estimated total deficiency/surplus as regards members	£ (3,801,597)

Signature  Date 13/1/15

COMPANY CREDITORS

**Note.** You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

[illegible]

Signature W. B. B. Date 13/11/15

# COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No of shares held	Nominal Value	Details of Shares held
FOX INDUSTRIAL HOLDINGS LIMITED	SHEPPARD WOODS, STOCKSBRIDGE SHEFFIELD, S36 4GS	100,000	£100,000	Ordinary shares of £1 each
TOTALS		100,000	£100,000	

Signature Adm Date 13/11/15

Fox Wire Limited  
Directors Statement of Affairs as at 22 December 2014

A Summary of Assets

	Net Book Value		Estimated to Realise	
	£	%	£	£
<b>Assets Specifically pledged</b>				
Goodwill & Intellectual Property	193,734		50,000	
Plant & Machinery subject to Chattel Mortgage	172,802		35,000	
Stock funded through the HSBC Import facility	451,003	60%	270,602	355,602
<b>Trade Debtors</b>	1,151,954	75%	863,965	
Less HSBC Invoice Finance Indebtedness #	245,789		245,789	618,176
<b>Less HSBC Bank Plc Import Facility #</b>	580,221		580,221	
HSBC Bank Plc Term loan #	170,000		170,000	
HSBC Bank Plc Current Account overdrawn #	21,106		21,106	771,327
<b>Subtotal pledged assets after HSBC</b>	952,376			202,451
<b>Assets not specifically pledged</b>				
Funds held in escrow	200,000		200,000	
Plant & Machinery	289,665		95,000	
Fox GmbH shares			Nil	
Cash at bank (overdrawn at 22 December)			Nil	
VAT Refund			Nil	
Stock not funded through the HSBC Import facility	262,042	30%	78,612	
Less Legion Finance #	289,185		289,185	84,427
	462,521			
<b>Est Total Assets available for preferential creditors</b>	<b>1,414,898</b>			<b>246,878</b>

A1 Summary of Liabilities

	Estimated to Realise	
	£	£
<b>Liabilities</b>		
Preferential Creditors National Insurance Fund & Employees	-	19,011
Estimated surplus as regards preferential creditors		267,867
Estimated prescribed part of net property (to carry forward)	-	56,573
Estimated total assets available for floating charge holders		211,294
Debts secured by floating charges Finance Yorkshire #	-	1,300,000
Estimated deficiency of assets after floating charges	-	1,088,706
Estimated prescribed part of net property where applicable		56,573
Total assets available to unsecured creditors	-	1,032,133
Unsecured non-preferential claims		
Trade & Expense creditors - Non-connected	-	2,070,167
Trade & Expense creditors - Fox Wire GmbH (incl commissions)	-	310,788
Intergroup loan Fox Wire GmbH	-	172,905
VAT	-	Nil
PAYE and NIC (incl in respect of Director salaries unpaid)	-	69,203
FKI Scheme Trustees Limited Rent	-	74,667
HWH Investments re Outokumpu PG	-	423,000
Standard Life Pension Arrears	-	40,683
Employees (estimated)	-	596,757
	-	3,758,170
Estimated deficiency as regards non-preferential creditors	-	4,790,303
Shortfall to floating charge holders (brought down)		1,088,706
<b>Estimated deficiency as regards unsecured creditors</b>		<b>3,701,597</b>

# All security subject to legal verification

*Wm* 13/1/15

**Fox Wire Limited - company creditors**

[illegible]

Fox Wire Limited - company creditors		Amount of Debt by Company		TOTAL DEBT		Details of Security		Value of Security	
Name of Creditor as Claimant		GBP	USD	GBP	USD			GBP	USD
FOX100	Fox Wire GmbH								
FOX250	Francis Chambers & Co Ltd	318	1,125	26,605				N/A	N/A
FUT700	Future Forwarding							N/A	N/A
FUT100	Future Industrial Services	2,010	2,010					N/A	N/A
GAP100	GAP Scaffolding Services	360						N/A	N/A
GDF100	GDF Suez Group	6,608						N/A	N/A
GLA100	Glaxo Pallet Supplies Ltd	660						N/A	N/A
H20100	H2O Chemicals Ltd	2,258						N/A	N/A
HAS100	Hastings Freight Ltd	385						N/A	N/A
HAY200	Hayley Group Plc	59						N/A	N/A
HOS100	Hoselinks Limited	139						N/A	N/A
IMP100	Innovation Alloy	2,974						N/A	N/A
INS100	IRS Surfacing Technologies	2,797						N/A	N/A
INT100	Irelin Mitchell	210						N/A	N/A
JSE100	J.S. Gahrntling	420						N/A	N/A
ATP100	Johnson Apparelmaster	180						N/A	N/A
KPA100	K Packaging Ltd	324						N/A	N/A
KAM100	Kanar GmbH & Co AG	67						N/A	N/A
KAY250	Kays Medical	129						N/A	N/A
KEL250	Kelley Industrial Supplies	124						N/A	N/A
KEM100	Kemet International Ltd	299						N/A	N/A
KEN110	Kenney Steels Ltd	305						N/A	N/A
KUE100	Kuehne + Nagel	84						N/A	N/A
LAM250	Lamark International	20,845						N/A	N/A
LAM250	Lampert Light Engineering	421						N/A	N/A
LEA100	Lea Manufacturing	138						N/A	N/A
LOC123	Locon Limited	148						N/A	N/A
LPG100	LPG Direct (Northern) Ltd	293						N/A	N/A
LUT100	Luther	4,710						N/A	N/A
MAR200	Marcheau	6,797						N/A	N/A
MEQ250	Meadow Pipeline	588						N/A	N/A
MH100	MH Int Ltd	513						N/A	N/A
MIC100	Microcraft Inland	1,199						N/A	N/A
MIL100	Milgate Computer Systems	86						N/A	N/A
MIN250	Minster Cleaning	78						N/A	N/A
MOD100	Modern Metals Publications	6,149						N/A	N/A
MUD100	Mudfords	186						N/A	N/A
NAT100	Nationwide Franchising Service	150						N/A	N/A
NEO100	Neon Capital Partners	165						N/A	N/A
NIT200	Niton UT Limited	9,525						N/A	N/A
OFF250	OfficeXpress Europe Ltd	126						N/A	N/A
OPR450	Open Business Solutions	197						N/A	N/A
AYE001	Oronokimpu Ltd	9,400						N/A	N/A
PAR450	Parmalee Ltd	1,096,429						N/A	N/A
PEN130	Pennine Inst Services Ltd	127						N/A	N/A
PEN150	Pennine Lubricants Limited	197						N/A	N/A
PEN150	Pennine Pneumatic Serv	2,071						N/A	N/A
PEN125	Pennine Process Division	1,536						N/A	N/A
PEN101	Performing Right Society	26,751						N/A	N/A
PHO75	Phenolic PAT Testing	313						N/A	N/A
POR127	Portland Electrical	136						N/A	N/A
PRI163	Precision Dies	3,180						N/A	N/A
PRI250	Precision Metals	563						N/A	N/A
PWS350	Premier Welding Services	76,136						N/A	N/A
PRO101	Professional Response Ltd	378						N/A	N/A
PRE250	Proometrics Ltd	60						N/A	N/A
RAO100	Rafineta Associates	793						N/A	N/A
ROL100	ROLAN SA (Acerium Mill)	1,162						N/A	N/A
ROW100	Rowan Recruitment Ltd	900						N/A	N/A
		97,976						N/A	N/A
		2,580						N/A	N/A

**DATE: 23 January 2015**



**FOX WIRE LIMITED – IN ADMINISTRATION**

**APPENDIX B**

**Joint Administrators' Receipts and Payments Account for the period  
22 December 2014 to 10 February 2015**

**Fox Wire Limited  
(In Administration)  
Joint Administrators' Trading Account**

**Directors  
Statement  
of Affairs**

**From 22/12/2014  
To 10/02/2015**

**POST APPOINTMENT SALES**

Sales	109,754 97
Sales Exchange Differences	(453 76)
	<hr/> 109,301 21

**TRADING EXPENDITURE**

Indirect Labour	21,905 00
Haulage	20,171 32
Repairs & Maintenance	5,691 71
Water	232 79
Raw Material	148 50
Health and Safety Inspection	500 00
	<hr/> 48,649 32

**TRADING SURPLUS/(DEFICIT)**

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**60,651.89**

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**Fox Wire Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

**Directors  
Statement  
of Affairs**

**From 22/12/2014  
To 10/02/2015**

**GENERAL FIXED CHARGE**

50,000 00	Goodwill and Intellectual property	0 00
35,000 00	Plant & Machinery Subject to HSBC Chattel Mortgage	0 00
270,602 00	Stock Funded through HSBC	0 00
	VAT collected on Discounting Charges	76 23
		<u>76 23</u>

**ASSET REALISATIONS**

200,000 00	Funds Held in Escrow	0 00
95,000 00	Plant & Machinery	0 00
Nil	Fox GmbH Shares	0 00
78,612 00	Stock Not Funded Through HSBC	0 00
	Cash in Hand	113 84
	Trading Surplus/(Deficit)	60,651 89
		<u>60,765 73</u>

**TOTAL REALISATIONS**

60,841 96

**COST OF REALISATIONS**

	Statutory Advertising	75 82
	Insurance of Assets	10,884 62
	Bank Charges	40 00
		<u>11,000 44</u>

49,841.52

**REPRESENTED BY**

	VAT Receivable	16,928 82
	Bank Balance	44,025 09
	VAT Payable	(8,705 04)
	Due to HSBC Invoice Finance	(2,407 35)

49,841.52

**FOX WIRE LIMITED – IN ADMINISTRATION**

**APPENDIX C**

**SIP 9 TIME COST ANALYSIS- PRE-APPOINTMENT COSTS**

**SIP 9 - Time & Cost Summary**

Period 22/12/13 21/12/14

## Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	IP/Director	Manager	Other Senior Professionals	Assistants	Total Hours		
Administration & planning	30 20	19 20	5 20	1 50	56 10	15,490 20	276 12
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisations of assets	22 90	51 50	0 00	0 00	74 40	19 516 50	262 32
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	13 40	33 10	0 00	0 00	46 50	12,417 00	267 03
Case specific matters	0 00	0 20	0 00	0 00	0 20	46 00	230 00
Pre Sip9 Time Recording	0 00	0 00	0 00	0 00	0 00	0 00	0 00
<b>Total Hours</b>	<b>66 50</b>	<b>104 00</b>	<b>5 20</b>	<b>1 50</b>	<b>177 20</b>	<b>47,469 70</b>	<b>267 89</b>
<b>Total Time Cost (£)</b>	<b>22,277 50</b>	<b>24,250 00</b>	<b>882 20</b>	<b>60 00</b>			

**FOX WIRE LIMITED – IN ADMINISTRATION**

**APPENDIX D**

**SIP 9 TIME COST ANALYSIS- POST-APPOINTMENT COSTS**

**SIP 9 - Time & Cost Summary**

Period 22/12/14 10/02/15

## Time Summary

Classification of work function	Hours					Time Cost (£)	Average hourly rate (£)
	IP/Director	Manager	Other Senior Professionals	Assistants	Total Hours		
Administration & planning	11 40	32 30	24 40	0 80	68 90	16,200 50	235 13
Investigations	0 50	0 00	0 00	0 00	0 50	167 50	335 00
Realisations of assets	25 10	32 30	26 10	0 00	83 50	20,698 10	247 88
Trading	14 40	54 90	5 60	0 00	74 90	18 520 60	247 27
Creditors	11 50	69 60	26 60	7 40	115 10	25,327 10	220 04
Case specific matters	1 10	20 40	2 70	0 00	24 20	5,576 20	230 42
Pre Sip9 Time Recording	0 00	0 00	0 00	0 00	0 00	0 00	0 00
<b>Total Hours</b>	<b>64 00</b>	<b>209 50</b>	<b>85 40</b>	<b>8 20</b>	<b>367 10</b>	<b>86,490 00</b>	<b>235 60</b>
<b>Total Time Cost (£)</b>	<b>21,440 00</b>	<b>48,732 50</b>	<b>15 989 50</b>	<b>328 00</b>			

**FOX WIRE LIMITED – IN ADMINISTRATION**

**APPENDIX E**

**Creditors Guide to the Fees, Expenses and Disbursement charged by The P&A Partnership Limited Rates  
applicable from the 1<sup>st</sup> February 2015**



Rule 2.37

## Creditor's request for a meeting

Name of Company

Fox Wire Limited

Company number

06293609

In the  
High Court of Justice, Chancery Division, Leeds  
District Registry

(full name of court)

Court case number  
1270 of 2014(a) Insert full name and  
address of the creditor  
making the request

I (a)

(b) Insert full name and  
address of registered  
office of the companyrequest a meeting of the creditors of (b)  
Fox Wire Limited93 Queen Street  
Sheffield  
S1 1WF

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and  
address(es) of creditors  
concurring with the  
request (if any) and their  
claims in the  
administration if the  
requesting creditor's claim  
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of  
concurrence(e) Insert details of the  
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated

Our Ref F387D14/Form 2 21B/ADM0802A/GCD/KK

## ENQUIRY INTO COMPANY'S INSOLVENCY

COMPANY: FOX WIRE LIMITED

<b>Creditor's name and address</b>	
<b>Estimated Claim</b>	£
<b>What was the authorised credit limit?</b>	£
<b>If the estimated claim exceeds the credit limit, on what basis or terms was the credit increased?</b>	
<b>Please provide details of any comfort, security or assurance given to you to allow continuance of credit.</b>	
<b>When were you first aware that there were difficulties in getting payment and what was the evidence of this?</b>	
<b>Please provide details, including dates, of any writs, summons, decrees or other legal action you took to recover your debt.</b>	
<b>Please provide details of any cheques which were dishonoured, including dates and amounts.</b>	
<b>Are there any particular matters you feel should be reviewed? If so, please provide brief details.</b>	

Please use continuation sheet if necessary

Name

Date

Signature

Position

Our Ref F387D14/ADM08A08a/22/CD/KK

## PROOF OF DEBT FORM

### Case: Fox Wire Limited

**Code: F387D14/CD/KK**

**Creditor Code:**

**Claim:**

Date  
Entered.

**By Whom:**

**For P&A Use Only**  
(complete in red ink)

1/	Name of Creditor	
2/	Address of Creditor  Telephone No	
3/	Your Reference	
4/	Total amount of claim , excluding any Value Added Tax (See note at the foot of the page)	<b>VAT Inclusive    £</b> <b>VAT                    £</b> <b>VAT Exclusive    £</b>
5/	Details of any documents by reference to which the debt can be substantiated (Note The duly appointed Insolvency Practitioner may call for any document or evidence to substantiate the claim at his discretion )	
6/	Give details of whether the whole or any part of the debt falls within any (and if do which) of the categories of preferential debts under Section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	<b>Category</b>  <b>Amount(s)</b> <b>claimed as</b> <b>Preferential</b>
7/	Particulars of how and when the debt was incurred	
8/	Particulars of any security held, the value of the security, and the date it was given	
9/	Signature of creditor or the person authorised to act on his behalf  Name in BLOCK LETTERS  Position with or relation to creditor	<hr/>  <hr/>  <hr/>

*Note Creditors may claim VAT Bad Debt Relief from H M Revenue & Customs six months after the date of invoice providing that the debt has been written-off in their accounts*

# Creditors Guide to the Fees, Expenses and Disbursements charged by The P&A Partnership Limited

## Rates applicable from the 1<sup>st</sup> February 2015

### Details of Insolvency Practitioners Licensing Bodies

John Russell, Andrew Philip Wood, Brendan Ambrose Guilfoyle, Gareth David Rusling, Ashleigh William Fletcher and Jeremy Michael Bennett are all licensed by the Insolvency Practitioners Association of Valiant House, 4-10 Heneage Lane, London, EC3A 5DQ. Derek Ewan Simpson is licensed by The Institute of Chartered Accountants of Scotland of CA House, 21 Haymarkets Yard, Edinburgh EH12 5BH.

### Insolvency Practitioners Fees

The Insolvency Rules 1986 entitles the Insolvency Practitioner to receive remuneration for his services and sets out the basis of how such remuneration shall be fixed which includes a percentage of the assets realised and monies distributed to creditors, a set amount, by reference to the time properly given by the office holders, their Directors and staff in attending to matters arising, or one or more of the above bases and different basis may be fixed for different things. Where it has been agreed by resolution of the secured creditors, a creditor's committee or creditors generally, that the office holders remuneration will be calculated by reference to a time basis, then such remuneration will be calculated in units of 6 minutes at the following hourly standard rates -

Grade	Total Hourly Standard Rate
	£
Directors/Office Holders	365
Senior Managers	325
Managers	305
Senior Administrators	230
Administrators	191
Junior Administrators	80
Support	40

These are our current hourly charge out rates and are exclusive of value added tax. Rates are reviewed annually and creditors will be advised of any alteration thereto. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the secured creditors, creditor's committee or the creditors generally, that their remuneration on such time as is agreed on an agreed higher hourly rate.

### Debt Collection, Contested Asset Recovery and Related Services

Contested debt collection will be referred to P&A Receivables Services PLC, an associated company of The P&A Partnership Limited and its dedicated legal firm James Peters & Co. The fees of P&A Receivables Services PLC shall be charged by reference to the time properly given by their staff, such fees will be calculated in units of 6 minutes at the hourly rate of £80. P&A Receivables Services PLC may also be used to recover items such as plant and machinery, to locate debtors and to serve documents. The fees for work of this nature will

be calculated in accordance with P&A Receivables Services PLC's standard rates.

James Peters & Co fees will be charged by reference to time costs properly incurred, calculated in 6 minute units at an hourly rate of between £111 and £217, plus their disbursements. These fees are in accordance with the guideline rates for summary assessment of costs following consultation between the legal profession and the Designated Civil Judge and are typical of legal firms in this geographical area.

### Expenses and Disbursements

The payment of Category 1 disbursements will be a charge against the estate to recover the actual cost of the disbursement paid out in respect of the administration of the estate, typically statutory advertising, searches, external room hire or travel expenses. A separate amount will be charged by way of an expense to recover the cost of Category 2 disbursements for services provided by the insolvency practitioner's firm. Category 2 disbursements will include storage of company's books and records at the insolvency practitioner's own storage facility. The books and records will be stored in banker's boxes and a storage fee will be charged at the rate of £7.50 per box per month. This charge covers the transportation of records from the company's premises, storage, retrieval of books and records in storage for administration purposes and the destruction of such books and records after the first anniversary of the completion of the insolvency administration. Travelling by motor vehicle on business for the administration of the insolvency will be charged to the estate per mile at the appropriate rate currently published by the "AA" for the type of vehicle and engine size used. All circulars will be sent out by first class post and the actual postage costs will be charged as an expense to the estate.

### Introduction to Lending Sources

The P&A Partnership Limited may make referrals to P&A Lender Services Ltd ('PALS') being an associated company. PALS and its authorised representatives are not authorised under the Financial Services and Markets Act 2000 or by the Financial Conduct Authority to provide specific investment advice but they may be able to introduce funding seeking parties ('FSP's') to one or more reputable lending services ('Lender').

In such circumstances where any party associated with the referral is subsequently subject to any formal insolvency procedure and the Directors of The P&A Partnership Limited are appointed office holders in relation to any formal insolvency, then any arrangement fees or commissions or payments becoming due to PALS (if any) from any Lender in respect of the acquisition or future trading of the business and assets of the insolvent party, will be paid into the realisation fund in the formal insolvency for the benefit of creditors.

Our Ref F387D14/JJ/CD/KK