

In accordance with Schedule B1, paragraph 53(2) of the Insolvency Act 1986

The Insolvency Act 1986

Notice of result of meeting of Creditors

Name of Company
Nationwide Decorators Limited ✓

Company number
07173955

In the Leeds County Court (full name of court)
--

Court case number 47 of 2017

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

I/We (a)
Steven Wiseglass
Inquesta Corporate Recovery & Insolvency
St John's Terrace
11-15 New Road
Manchester
M26 1LS

hereby report that a meeting of the creditors of the above company was held by

(b) Insert place of
meeting

(b) conduct of business by correspondence

(c) Insert date of meeting

on (c) 6 April 2017 at which:

*Delete as applicable

*1. Proposals/~~revised proposals~~ were approved*2. ~~Proposals/revised proposals were modified and approved~~~~The modifications made to the proposals are as follows:-~~(d) Give details of the
modifications (if any)~~(d)~~~~*3. The proposals were rejected~~(e) Insert time and date of
adjourned meeting~~*4. The meeting was adjourned to (e)~~(f) Details of other
resolutions passed

*5. Other resolutions (f)

Resolution (1) for the approval of the Administrator's proposals as circulated (excluding paragraphs 13.1.6 to 13.1.8 as covered by the resolutions below)

Resolution (2) that the Pre Appointment costs and expenses of the Administration are paid as detailed in the Administrator's report

Resolution (3) that the Administrator's remuneration be based on a percentage of assets realised and distributed fixed each at 35% plus VAT

Resolution (4) that the Administrator be empowered to draw disbursements on account in accordance with the charge out rates as published (also known as Category 2 disbursements)

THURSDAY



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QIQ

13/04/2017

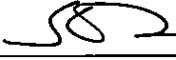
#42

COMPANIES HOUSE

The revised date for automatic end to administration is

A creditors' committee formed

Signed


Joint/ Administrator(s)

Dated

6/4/17

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 searchers of the public record

Steven Wiseglass
Inquesta Corporate Recovery & Insolvency
St John's Terrace
11-15 New Road
Manchester
M26 1LS

DX Number

03330050080
DX Exchange

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

TURNKEY

A31

13/04/2017
COMPANIES HOUSE

#385

Report to Creditors

Nationwide Decorators Limited - in Administration ("the Company")

Administrator's Report to Creditors and Statement
Of Proposals

For the period 20 January 2017 to 10 March 2017 pursuant to Paragraph 49
of Schedule B1 of the Insolvency Act 1986

Leeds District Registry No. 47 of 2017

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The following definitions shall apply in this Report:

EXPRESSION	MEANING
"the Administrator"	Steven Wiseglass MIPA Licensed Insolvency Practitioner of Inquesta Corporate Recovery & Insolvency, St John's Terrace, 11-15 New Road, Manchester M26 1LS.
"the Act"	The Insolvency Act 1986 (as amended)
"the Agent/GTC"	GTC Appraisals Limited, independent agents who were instructed to value the assets of the Company.
"the Appointment Date"	20 January 2017 being the date of appointment of the Administrator
"the Bank"	Barclays Bank Plc, with whom the Company banked.
"Category 2 Disbursements"	The Administrator's internal costs and expenses in dealing with the Administration
"the Company"	Nationwide Decorators Limited (in Administration) Company Number: 07173955
"CVL"	Creditors Voluntary Liquidation
"DBIS"	The Department for Business, Innovation and Skills
"the Director"	Stephen Bevin Wright, the sole director of the Company
"the EC Regulation"	EC Regulation on Insolvency Proceedings 2000.
"HMRC"	HM Revenue & Customs
"LCF"	LCF Law Limited, solicitors providing assistance in placing the Company into Administration and other ad hoc legal matters
"NOIA"	Notice of Intention to Appoint an Administrator
"Preferential Creditors"	any Creditor of the Company whose claim is Preferential as defined by Section 386 of the Insolvency Act 1986 at the Appointment Date.
"Prescribed Part"	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors

"the Proposals"	The Administrator's Report to Creditors and Statement of Proposals dated 8 March 2017
"the Purchaser"	Nationwide Decorators & Spray Finishing Limited (registered company number 09514025)
"the Registrar"	The Registrar of Companies
"the Reporting Period"	20 January 2017 to 8 March 2017
"the Rules"	the Insolvency Rules 1986 (as amended)
"The Secured Creditor/Ultimate"	Ultimate Invoice Finance Limited, with whom the Company had an invoice finance facility and the holder of a fixed and floating charge over the Company's assets
"SIP 9 "	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
"SIP 16"	Statement of Insolvency Practice 16 – Industry best practice for Insolvency Practitioners in relation to the requirement for disclosure of information with respect to a 'Pre-Packaged' sale of business and/or assets of the Company
"SOA"	Statement of Affairs, documentation to be supplied by the Director outlining the Company's financial position as at the Appointment Date
"Tandem"	Tandem Invoice Finance Limited with whom the Company had an invoice finance facility and the holder of a fixed and floating charge over the Company's assets
"TUPE"	The Transfer of Undertaking (Protection of Employment) Regulations 2006
"Unsecured Creditors"	any person other than a Secured Creditor or Preferential Creditor who has or claims to have any claim against the Company arising out of or having its origin in any matter occurring out of or prior to the Appointment Date or arising out of any transaction act or omission of the Company on or before the Appointment Date whether the claim be present, future or contingent, or prospective, or whether liquidated, or for damages, and whether in contract or howsoever arising.

1 Introduction

- 1.1 The Administrator was appointed on the Appointment Date by the Director of the Company pursuant to Paragraph 22 of Schedule B1 to the Act.
- 1.2 The Court Reference is High Court of Justice, Chancery Division, Leeds District Registry number 47 of 2017.
- 1.3 This report sets out the circumstances leading up to the appointment of the Administrator and the steps taken by him to date.

2 Background

- 2.1 Statutory information on the Company is included at Appendix I.
- 2.2 The Company was incorporated on 2 March 2010 providing painting and decorating services to the commercial and industrial sector by the Director, Stephen Bevin Wright. The Director is the sole director of the Company, which employed 6 staff on a full time basis.
- 2.3 As at the date of the Administrator's appointment, the share capital of the Company was 100% owned by the Director.
- 2.4 The Company operation from leasehold premises known as 1 Howley Park, Morley, Leeds LS27 0BW.
- 2.5 Barclays Bank Plc provided banking facilities to the Company. The business current account operated in credit with no overdraft facility.
- 2.6 Ultimate provided an invoice finance facility to the Company. The facility was secured by a debenture created on 13 January 2016 and registered on 15 January 2016.

3 Events Leading up to the Administration

- 3.1 The Company commenced trading in March 2010. Since commencement, the Company has largely traded profitably. At its last financial year end (31 October 2015 (Unaudited)), the Company reported a modest Profit Before Taxation of £61,702.
- 3.2 Over the last several months, the Company has encountered trading difficulties due to the loss of its Quantity Surveyor which resulted in a loss of orders. Additionally, the Company's books and records were not maintained correctly which resulted in a significant liability with HMRC not being identified.
- 3.3 The Company fell behind with payment of their VAT for several quarters between March 2015 and June 2016 and interest and surcharges were applied in respect of PAYE/NIC and CIS liabilities for underpayment.
- 3.4 The Company entered into a Time to Pay arrangement with HMRC in respect of the liabilities which had accrued over the last several months. In late 2016, the Company had failed to adhere to the payment plan which resulted in HMRC issuing demand of full repayment of the debt which was some £180,000 by early January 2017. Failure to repay would result in a winding up petition being presented.
- 3.5 Additionally, Ultimate had become aware of the Company's position with HMRC and placed the account on stop pending resolution of the matter and sight of management accounts.

- 3.6 The culmination of these events hampered the Company's ability to continue to trade. The Company's accountants, Northern Accountants, introduced the Director to Inquesta and an initial meeting was held on 6 December 2016.
- 3.7 Please note that there was an error contained in the SIP16 whereby it stated that the first meeting with the Company was held on 13 December 2016. The first meeting with the Company was held on 6 December 2016.
- 3.8 Inquesta was instructed to review the Company's cashflow with a view to seeing if the Company was able to trade through its financial difficulties. The Company had work in progress of circa £65,000. This would only be realisable if the Company was able to complete the contracts, some of which would run for a further 3 months.
- 3.9 It became evident that without an immediate injection of funds, the Company would not be able to trade past the short term without a formal insolvency procedure.
- 3.10 A number of insolvency options were considered including a CVA for the Company and a Creditors Voluntary Liquidation. Neither option was considered effective as a CVA would require further funding which was not available. Furthermore, with HMRC being the largest creditor and the Company's historic non-compliance, the likelihood of approval of the CVA was remote.
- 3.11 Whilst a CVL was considered as a viable option, the ongoing work in progress would be jeopardised and the Director expressed a desire to continue trading to complete the contracts to limit the exposure to Ultimate.
- 3.12 A Business Memorandum prepared by GTC providing an overview of the Company. The Memorandum was circulated on 19 December 2016 to 1,000 interested parties included on GTC's interested parties database. Expressions of interest were requested by 23 December 2016. The deadline was extended further beyond the Christmas period to allow for any interested party to register an interest.
- 3.13 A NOIA was filed into court on 11 January 2017 in order to protect the Company and preserve asset and business value. The secured lenders were subsequently notified that the proposed Administrator was seeking a sale of the business and assets of the Company.
- 3.14 There were no expressions of interest prior to the deadline other than one offer from the Purchaser for the business and unencumbered assets for £31,000. GTC advised that the offer was of an acceptable value and should be accepted in the absence of any other offers.
- 3.15 The Administrator considered his position prior to accepting the appointment and having regard to the Insolvency Code of Ethics, considered that there were no circumstances preventing him from accepting the appointment.
- 3.16 Subsequently, the Administrator was appointed on the Appointment Date
- 3.17 The Administrator completed a sale on 20 January 2017. Sale consideration was agreed on deferred terms as follows:
- £7,500 payable on 30 January 2017
 - £5,875 payable on 28 February 2017
 - £5,875 payable on 31 March 2017
 - £5,875 payable on 28 April 2017

- £5,875 payable on 31 May 2017

4 Purpose of the Administration

4.1 The purpose of an Administration is to achieve one of the following hierarchical objectives

- Rescuing the company as a going concern, or
- 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
- Realising property in order to make a distribution to one or more secured or preferential creditors

4.2 In accordance with Paragraph 49(2) of Schedule B1 to the Act, the Administrator notes the following

- The first objective will not be achieved as there are insufficient funds and assets available to enable the Company to be rescued as a going concern
- The Administrator is pursuing the second objective as it is likely that a better result for the Company's creditors as a whole will be achieved that if the Company were wound up without first being in Administration for the following reasons;
 - If the Company had been wound up, the assets would realise significantly less funds due to the costs of disposal
 - The business continuity that will be achieved via a pre-pack Administration should enhance overall debtor collections for Ultimate
 - If the Company had been wound up, all six employees would have been made redundant resulting in preferential claims and an increase in non-preferential creditor claims
- Since the Administrator's appointment, Ultimate have discharged their liability in full through debtor collections

4.3 The Administrator's proposal for achieving the purpose of the Administration are set out in the remainder of this report.

5 Progress of the Administration to Date

5.1 The manner in which the affairs and business of the Company have been managed, since the appointment of the Administrator and will continue to be managed and financed are set out below.

Decision not to trade

5.2 Following an evaluation of the current and future trading positions, the Administrator took the decision not to trade the business for the following reason;

- The Company had insufficient working capital to fund any trading period. Ultimate had placed the account on stop and allowed for a critical payment in December 2016

being employee wages only. No further funds were to be released until resolution was sought with HMRC.

Sale of business and assets

- 5.3 In accordance with SIP 16, prescribed information should be disclosed to creditors in all cases where there is a pre-packaged sale, as far as the Administrator is aware after making appropriate enquiries. When an Insolvency Practitioner is party to a pre-packaged sale, we have a duty in accordance with best practice guidelines, to disclose to creditors, where practicable, that prescribed information in respect of that pre-packaged sale when we send the first notification to creditors. The first notification to creditors was sent on 26 January 2017 and included the SIP 16 report attached at Appendix VIII.
- 5.4 Prior to the Appointment Date, the Director instructed GTC and Inquesta to carry out a marketing process and valuation of the Company's assets.
- 5.5 The valuation report was undertaken in full compliance with the RICS Valuation. The valuers possess knowledge of the particular market for this type of plant and equipment, and the skills and understanding necessary to undertake the valuation competently. The Agents possess the required Professional Indemnity Insurance to perform the instruction.
- 5.6 The Agents identified and placed the following valuation of the Company's assets:

	Market Value (In Situ) £	Market Value (Ex Situ) £
Unencumbered Assets		
Office Furniture & IT Equipment	750	400
Motor Vehicles	1,250	1,100
Total	2,000	1,500

- 5.7 The Company's Work in Progress and Order Book indicated that the Company had six live contracts at various stages of completion with a total contract value of £204,000 and receipts of £63,000 leaving amounts outstanding of £141,000.
- 5.8 The Company had £66,900 of Work in Progress to invoice with approximately 10% costs to complete. In addition the Company had a further £74,000 of work in progress moving forward to completion of the six live contracts.
- 5.9 The Company had not started this stage of work in progress and believed that material, labour and plant costs provided for 80-85% of this value which left a net profit of circa £15,000 - £18,000.
- 5.10 The Agents advised that the Company was firmly in the Director's grasp with respect to the operation of the business, existing client relationships and procurement of new business and therefore the value of the Goodwill was intrinsic to the Director.
- 5.11 The Agents commented that consideration should be given to the issues which may arise from business interruption. In the event a transaction of the business and assets is effected it was paramount that the process should be fluid to preserve any associated goodwill.
- 5.12 The Purchaser who is a connected party by way of common director and shareholder submitted an offer for the Company's business and unencumbered assets totalling £31,000.

The sale completed on the Appointment Date with the sale consideration accepted on deferred terms. The offer was accepted for the following reasons;

- Taking into account the subcontract nature of the business and the stance the construction sector takes in honouring debts once a company enters insolvency proceedings
- The unlikely event of receiving realisations in this amount should the firm enter liquidation
- The director is intrinsic to the business
- The safeguarding of workforce if a pre pack administration sale is to occur
- The absence of any other offers for the business and assets

5.13 The apportionment of the sale consideration is shown below

Assets	Consideration
	£
Goodwill	1
Business Intellectual Property Rights	1
Plant & Machinery & Stock	1,000
Customer Contracts	29,998
Total	31,000

5.14 The Administrator and his Agent are satisfied that the sale to the Purchaser was the best price achievable for the Company's assets.

Book Debts

5.15 According to the Company's books and records, the outstanding debts of the Company were estimated to be £61,000. These debts were assigned to Ultimate under an invoice finance facility created on 13 January 2016.

5.16 The principle amount owing to Ultimate under the invoice finance facility as at the Appointment date was £12,000, subject to accruing interest and charges.

5.17 Ultimate has discharged their principle liability in full. Charges of £13,685 plus VAT have been applied to the account together with a factor's discount of £2,350.

5.18 The surplus balance of £9,262 has been remitted to the Administrator and is reflected in the Receipts and Payments Account attached at Appendix II.

5.19 The ledger has been reassigned to the Administrator and there are three debtors with outstanding amounts totalling £41,177. The Administrator will take relevant steps to collect the amounts due.

Investigations

5.20 The Administrator's investigations into the Company's affairs are currently ongoing.

5.21 The Administrator has a statutory obligation to file a report with DBIS regarding the conduct of the directors that held office in the three years prior to the Administration. This report must be filed within three months from the Appointment Date and the content of this report is confidential.

5.22 The Administrator also has a duty to investigate antecedent transactions which include

- Transactions at an undervalue, Section 238 of the Act
- Preferences, Section 239 of the Act, and
- Transactions to defraud creditors, Section 423 of the Act

5.23 Attached at Appendix IX is a questionnaire "Enquiry into company's insolvency" which should be completed and returned to this office.

Receipts and Payments Account

5.24 A receipts and payments account is attached at Appendix II.

5.25 The receipts and payments account excludes the collection of pre-appointment book debts and these are subject to an invoice discounting facility agreement with Ultimate.

6 Statement of Affairs

6.1 In accordance with Paragraph 47 of Schedule B1 to the Act, the Administrator has requested that the Director provides a SOA. This has been provided and is attached at Appendix III.

7 Statement of Pre-Administration Costs

7.1 Pre-Administration costs are defined in the Rules as fees charged and expenses incurred by the Administrator or his firm, or another person qualified to act as an insolvency practitioner, before the Company entered administration but with a view to it doing so.

7.2 The Administrator proposed to charge a fixed fee of £15,000 plus VAT for Pre-Administration costs in the period leading up to the Appointment Date.

7.3 The Pre-Administration costs included assistance with the following;

- Providing formal insolvency advice to the Company and Director
- Completing the marketing process and discussions with the Purchaser and Director
- Discussions with the Agents during the marketing and sale negotiation process which ultimately led to the sale of the business and assets
- Strategy and planning with a view to establishing the financial position of the Company and discuss other insolvency options and prepare a strategy for the appointment

7.4 In total, the following costs were incurred prior to the appointment of the Administrator

Name of Recipient	Description of Services Provided	Amount £
Inquesta Corporate Recovery & Insolvency	Meetings with the Director and the Purchaser, exploring the insolvency options and strategies	15,000
LCF Law Limited	Assistance in placing the Company into Administration, draft and review of the sale of business contract and other ad hoc legal matters	7,650
GTC Appraisals Limited	Valuation of the Company's assets and marketing process	2,060
Total Unpaid Pre-Administration Costs		24,710

8 Administrator's Costs

- 8.1 It is proposed that the Administrator's fee basis is based on a percentage of assets realised and distributed.
- 8.2 The amount expected to be drawn in fees over the life of the case by the Administrator is shown at Appendix V - Fee Narrative. The total amount indicated effectively acts as a cap on the level of fees to be drawn by the Administrator.
- 8.3 The Administrator estimates the expenses of the Administration to total approximately £6,298 (as shown in Appendix IV - Estimated Expenses of the Administration) This schedule illustrates the estimated expenses for the whole of the Administration and is for information purposes only. No approval is required by creditors. The estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in the Progress Reports.
- 8.4 Attached at Appendix V is the Fee Narrative, a summary of key issues to assist creditors in understanding the strategy of the Administration, the associated costs and expenses of the related activities and the financial benefit to creditors. Further details of assets and liabilities and the estimated return to creditors, if any, are in the body of this report.
- 8.5 A document titled "Creditors Guide to Administrators Fees" and details of the Inquesta disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case can be viewed and downloaded from the Administrator's website at <https://www.inquesta.co.uk/resources/creditors-guides/>. Should you require a hard copy, please contact this office

9 Dividend Prospects / Prescribed Part

Secured Creditors

Ultimate

- 9.1 In consideration for the monies advanced under the Company's invoice finance agreement, the Company granted Ultimate a debenture dated 13 January 2016, which confers fixed and floating charges over all of the assets of the Company. In addition, the invoice finance facility results in the assignment of all book debts to Ultimate.
- 9.2 As at the Appointment Date, the Company's indebtedness to Ultimate was approximately £12,000 subject to accruing interest, charges and costs. As discussed at paragraph 5.10, Ultimate have discharged their principal debt in full together with costs, interest and charges.

Tandem

- 9.3 In consideration for the monies advanced under the Company invoice finance agreement, the Company granted Tandem a debenture dated 28 May 2013 which confers fixed and floating charges over all of the assets of the Company.
- 9.4 Tandem confirmed prior to the Administration that as of 12 January 2016, there was no liability due from the Company. A statement of satisfaction was filed at Companies House on 12 January 2017.

Preferential Creditors

- 9.5 Following the sale of the business and assets of the Company to the Purchaser, the Company's employees were transferred pursuant to TUPE to the Purchaser. Accordingly, it is anticipated that there will be no preferential claims in relation to the employees.

Prescribed Part

- 9.6 The Prescribed Part is calculated as a percentage of net property as follows;

Net property less than £10,000	50% unless the Administrator considers that the costs of making a distribution to the non-preferential unsecured creditors would be disproportionate to the benefits
Net property greater than £10,000	50% up to £10,000 plus 20% thereafter to a maximum of £600,000

- 9.7 The Company granted a floating charge to Ultimate on 13 January 2016. The Prescribed Part provisions would apply however, as Ultimate has discharged their liability in full from debtor collections, the Prescribed Part provisions have been set aside.

Non-Preferential Unsecured Creditors

- 9.8 According to the Director's SOA, non-preferential unsecured creditors total £242,551 which is summarised as follows;

Creditors	Claim £
Trade & Expense Creditors	50,551
HM Revenue & Customs – VAT/PAYE	180,000
Ultimate Invoice Finance	12,000*
Total	242,551

*It should be noted that the Director has stated a shortfall to Ultimate as an unsecured claim. However, Ultimate have discharged their liability in full from book debt collections

- 9.9 Based upon current information, it is anticipated that there will be sufficient realisations to enable a distribution to the non-preferential creditors of the Company.
- 9.10 The quantum and timing is not yet known but will be based on the progress and level of debtor collections.
- 9.11 If not already done so creditors of the Company should complete a Proof of Debt form at Appendix VII and return the same to the Administrator.

10 EC Regulation

- 10.1 It is the Administrator's opinion that the EC Regulation applies and these proceedings are main proceedings as defined in Article 3 of the EC Regulation. The centre of main interest of the Company is in England.

11 Notice of Resolutions by Correspondence

- 11.1 In accordance with Paragraph 58(1)(a)(b) of Schedule B1 to the Act and Rule 2.48 of the Rules, the Administrator seeks the passing of resolutions by creditors by sending out notice

in form 2.25B to every creditors who is entitled to be notified of a creditors meeting under Rule 2.35(2). The appropriate form is attached at Appendix X.

- 11.2 Votes must be received by 12.00 hours on the closing date specified on Form 2.25B and must be accompanied by a statement in writing in support of your debt.
- 11.3 The Administrator shall summon an initial creditors' meeting, if requested to by the creditors of the Company whose debts amount to at least 10% of the total debts of the Company using the prescribed Form 2.21B attached at Appendix VI within 8 business days from the days these proposals are sent out.
- 11.4 Creditors are reminded that the costs of any meeting called shall be paid for by them and that a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the meeting so resolves.
- 11.5 An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.
- 11.6 An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

12 End of the Administration

- 12.1 The options available to the Administrator for the exit from Administration are as follows
 - Compulsory Liquidation
 - Creditors' Voluntary Liquidation
 - Company Voluntary Arrangement
 - Return of control to the Director
 - Dissolution of Company
- 12.2 The Administrator recommends that the Company should be placed into Creditors' Voluntary Liquidation, for the reasons set out below
- 12.3 The Administrator has formed the view that once all the outstanding Administration matters have been finalised and all liabilities incurred during the Administration have been discharged, there will be sufficient funds available to allow a distribution to unsecured creditors outside of the Prescribed Part provisions.
- 12.4 Once all outstanding matters have been satisfactorily completed by the Administrator, he will take the necessary steps to place the Company into Creditors' Voluntary Liquidation.
- 12.5 You will note from the proposals section below that the Administrator has left the choice of exit route from Administration open so that an alternative strategy can be adopted, should this prove more appropriate at the time.

13 Administrator's Proposals

- 13.1 The Administrator proposes the following

- 13.1.1 That the Administrator continues the Administration to deal with such outstanding matters in relation to the Company as the Administrator consider necessary until such time as the Administration ceases to have effect
- 13.1.2 That the Administrator does all such things and generally exercise all of his powers as contained in Schedule B1 of the Act, as he in his sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration
- 13.1.3 That the Administrator once all outstanding matters have been satisfactorily completed take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Company has no remaining property which might permit a distribution to its creditors, at which stage the Administration will cease.
- 13.1.4 That the Administrator, where he considers that there are funds available to be distributed to the unsecured creditors (other than under the prescribed part) take the necessary steps to put the Company into either CVL or into compulsory liquidation as they deem appropriate. It is proposed that the Administrator, Steven Wiseglass of Inquesta Corporate Recovery & Insolvency, would act as Liquidator should the Company be placed into creditors' voluntary liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 2.117A of the Rules, creditors may nominate a different period as the proposed liquidator provided the nomination is received at this office prior to the approval of these proposals. In the absence of such nomination, the Administrator will be appointed Liquidator.
- 13.1.5 That the Administrator be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or his appointment otherwise ceasing.
- 13.1.6 That the Administrator's remuneration, where no Creditors Committee is established, be fixed on a percentage basis in attending to matters arising in the Administration of 35% plus VAT of assets realised and 35% plus VAT of distributions.
- 13.1.7 That the unpaid Pre-Administration costs totalling £24,710 plus VAT as detailed in the Administrator's statement of pre-administration costs is approved for payment as an expense of the Administration as detailed below

Company	Fees Incurred £
Inquesta Corporate Recovery & Insolvency	15,000
LCF Law Limited	7,650
GTC Appraisals Limited	2,060

- 13.1.8 That the Administrator, where a Creditors Committee is not established be authorised to draw his Company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements")
- 13.2 Pursuant to Rule 2.33(5) of the Rules, the proposals in paragraphs 13.1.1 to 13.1.8 above shall be deemed to be approved by the creditors on the expiry of the period in which a meeting can be requisitioned by creditors in the manner described in paragraph 11.2 above provided that no meeting has been so requisitioned.

14 Other Matters

- 14.1 If any creditor has any information concerning the Company's affairs that they would like to bring to the Administrator's attention, then they would be pleased to hear from them.
- 14.2 If you have any queries or require any further assistance, please contact this office.



**Steven Wiseglass MIPA
Administrator
Nationwide Decorators Limited**

Enc.

The affairs, business and property of the Company are being managed by the Administrator, Steven Wiseglass who acts as agent of the Company and without personal liability. Steven Wiseglass is licensed by the Association of Chartered Certified Accountants

Appendix I

Statutory Information

Statutory Information

Company Number: 07173955

Date of Incorporation: 2 March 2010

Registered Office: c/o Inquesta Corporate Recovery & Insolvency
St John's Terrace
11-15 New Road
Manchester
M26 1LS

Previous Registered Office
1 Howley Park Close
Morley
Leeds
LS27 0BW

Trading Address: 1 Howley Park Close
Morley
Leeds
LS27 0BW

Principal Activity: Painting and Decorating Services

Directors: Stephen Bevin Wright

Secretary: N/a

Shareholders: Stephen Bevin Wright
Holding 100% of the issued 2 £1 Shares

Subsidiaries: None

Legal Charges: Ultimate Invoice Finance
Created on 13 January 2016 and registered on 15 January 2016


Tandem Invoice Finance Limited
Created on 28 May 2013 and registered on 31 May 2013
Satisfied on 12 January 2017

Appendix II

Administrator's Receipts & Payments Account

Nationwide Decorators Limited
(In Administration)
Administrator's Summary of Receipts & Payments

Statement of Affairs £	From 20/01/2017 To 10/03/2017 £	From 20/01/2017 To 10/03/2017 £
ASSET REALISATIONS		
Book Debts	9,262.44	9,262.44
Sale of Asset Agreement	13,375.00	13,375.00
	<u>22,637.44</u>	<u>22,637.44</u>
COST OF REALISATIONS		
Legal Fees (1)	50.00	50.00
	<u>(50.00)</u>	<u>(50.00)</u>
	<u>22,587.44</u>	<u>22,587.44</u>
REPRESENTED BY		
Bank 1 Deposit		22,587.44
		<u>22,587.44</u>


 Steven Wiseglass
 Administrator

Appendix III

Director's Statement of Affairs

Statement of affairs

Name of Company
Nationwide Decorators Limited

Company number
07173955

In the Leeds District Registry

[full name of court]

Court case number
47 of 2017

(a) Insert name and address of
registered office of the company

Statement as to the affairs of (a) Nationwide Decorators Limited c/o St Johns Terrace, 11-15 New Road, Manchester, M26 1LS

(b) Insert date

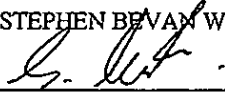
on the (b) 20 January 2017, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 20 January 2017 the date that the company entered administration.

Full name STEPHEN BEVAN WRIGHT

Signed



Dated 27 February 2017

A – Summary of Assets

Assets

Assets subject to fixed charge:

Book Debts
Ultimate Business Finance


Assets subject to floating charge:

Cash at Bank
Motor Vehicles
Furniture & Equipment

Uncharged assets:

Estimated total assets available for preferential creditors

Book Value £	Estimated to Realise £
61,000	41,000 (12,000) ----- 29,000
300 1,000 100	300 1,000 100
	30,400

Signature  Date 27 February 2017

A1 – Summary of Liabilities

		Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£	30,400
Liabilities	£	
Preferential creditors:-	Nil	
Estimated deficiency/surplus as regards preferential creditors	£	30,400
Estimated prescribed part of net property where applicable (to carry forward)	£ Nil	
Estimated total assets available for floating charge holders	£	30,400
Debts secured by floating charges	£ Nil	
Estimated deficiency/surplus of assets after floating charges	£	30,400
Estimated prescribed part of net property where applicable (brought down)	£ Nil	
Total assets available to unsecured creditors	£	30,400
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ (242,551)	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	fff
Shortfall to floating charge holders (brought down)		
Estimated deficiency/surplus as regards creditors		
Issued and called up capital	2	
Estimated total deficiency/surplus as regards members		£ (212,153)

Signature



Date 27 February 2017

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.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Ultimate Business Finance	1 Westpoint Court, Great Park Road, Bristol, BS32 4PY	12,000	Fixed and Floating Charge		
JP McDonnell & Co	Manchester Road, Altrincham, WA14 5PG	18,302			
Thorn Baker	40 Friar Lane, Nottingham, NG1 6DQ	564			
Ford Lease	Oakwood Park, Fishponds, Bristol, BS16 3JA	1,061			
M Drew & J Sillitoe	c/o Uccatt Solicitors, 56 Derwent Road East, Liverpool, L13 6QR	4,166			
Fuelmate Ltd	Witham House, 45 Spyvee Street, HU8 7JR	256			
Arval UK Ltd	Whitehall House, Windmill Hill, Swindon, SWN5 6PE	362			
Wine & Co	20-22 Bridge End, Leeds, LS1 4DJ	4,500			
Lex Autolease	Heathside Park Road, Stockport, SK3 0RB	377			
Barclaycard Commercial	Dept PP, Bolton, BL11 1AE	10,500			

Giromax Technology	Eagle House, Bilton Way, Lutterworth, LE17 4JA	7,982							
Npower	PO Box 583, Hull, HU5 1YU	3,142							
Muraspec	74-78 Wood Lane End, Hemel Hempstead, HP2 4RF	1,189							
HM Revenue & Customs		180,000							

Signature *S. Jeff* Date 27 February 2017

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
Stephen Bevan Wright		2		
TOTALS				

Signature  Date 27 February 2017

Appendix IV

Estimated Expenses of the Administration

Nationwide Decorators Limited – In Administration

Administrator's Estimated Expenses for the whole period of Administration

Activity	Fee Basis	Anticipated Total Cost
Stephen Wright	Assistance in collection of the Company's debtor ledger	4,100.00
Insight, Value & Results LLP t/a Northern Accountants	Assistance given with preparation of the Statement of Affairs	1,500.00
Disbursements		
Category 1		
Courts Advertising	Statutory Advertising	170.00
Willis	Bond Premium	528.00
Expenses	Fixed Fee	
Total Estimated Expenses	Fixed Fee	6,298.00

All costs are shown exclusive of VAT

The total anticipated expenses is an estimate based on information at the commencement of the appointment. The estimate should therefore be treated with caution as matters are likely to change over the life of the Administration.

Appendix V
Fees Narrative

Fee and Expenses Estimate for the whole period of the Administration

Introduction

The following information is provided to creditors to enable them to consider and approve the Administrator's remuneration. It is a summary of key issues to assist creditors in understanding the strategy of the Administration, the associated costs and expenses of the related activities and the financial benefit to creditors.

This document should be read in conjunction with the Administrator's proposals which provides further details of the assets, liabilities and estimated return to creditors if any.

Estimated Fees and Expenses

The Administrator proposes that his fee will be based on a percentage basis as follows:

- 35% plus VAT for asset realisations
- 35% plus VAT for distributions

The Administrator estimates the expenses of the Administration to total approximately £6,298 as shown at Appendix IV - Estimated Expenses of the Administration. This Appendix illustrates the estimated expenses for the whole of the Administration and is for information purposes (not for approval by any class of creditor). This estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in the Progress Report.

The amount expected to be drawn in fees over the life of the case by the Administrator is shown below:

Realisations			
Notes	Asset	Amount £	35% of asset realisations
1	Sale of business and assets	31,000	10,850
2	Book Debts	41,177	14,412
	VAT reclaim on Ultimate	2,737	958
	termination charges		
	Total		26,220

Notes

1. Goodwill, Intellectual Property Rights, Plant & Machinery and Customer Contracts has been sold for £31,000 to a connected party. Agents' fees, including valuation and marketing amounted to £2,060. Sale consideration is to be paid on a deferred basis. Two payments totalling £13,375 has been received to date. There are three further payments to be made on the following dates:

- £5,875 payable on 31 March 2017
- £5,875 payable on 28 April 2017
- £5,875 payable on 31 May 2017

2. An assumption has been made that the Book Debts will be collected in full. No allowance has been made for bad debts or write offs

Distributions

	£
Total anticipated realisations	74,914
Less:	
Administrator's realisation fee @35%	26,220
Pre- Appointment Costs	24,710
Administration Expenses	6,298
Balance of funds available to Unsecured Creditors	17,686
Administrator's distribution fee@ 35%	6,190
Net funds available to Unsecured Creditors	11,496

As detailed in Paragraph 11 of the main report, unsecured creditors are asked to approve the fee basis and also the Fee Estimate in the total sum of £32,410.

Estimated Return to Creditors

On present information it is likely that there will be sufficient realisations to enable a dividend to the non-preferential unsecured creditors. The quantum will be wholly dependent on the successful collection of the Book Debts.

The Administration will move to CVL if there are sufficient funds available to enable a distribution to creditors. The fee basis approved in the Administration will also apply to any subsequent CVL.

Schedule of Work

Set out below is a summary of key issues and activities that the Administrator will undertake for the life of the case.

The Administrator is of the belief that the fee proposed is commensurate with the scope of the work performed to date and yet to be undertaken.

The Administrator believes that the basis and level of fee sought is a fair and reasonable reflection of the work undertaken to date and yet to be performed. It is not envisaged that if the Administrator sought his fee on the basis of time costs, this would enhance any better return to the creditors. The majority of work to be done in an Administration does not often provide for any financial benefit to the creditors but must be undertaken.

Category	
ADMINISTRATION AND PLANNING	ADMINISTRATION AND PLANNING
Work undertaken to date	Future work to be undertaken
Pre-appointment matters	General Matters
Statutory Matters	Regularly reviewing the conduct of the case and the case strategy and updating as required by the insolvency practitioners regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing
Assisting with preparation of pre-appointment documentation	

Regulatory Requirements	
Completion of money laundering risk assessment procedures and know your client in accordance with the Money Laundering Regulations	Regular review of risk assessment procedures for the life of the case
Consideration of professional and ethical matters and other legislation such as the Bribery Act	
Consider if there are any other case specific matters to be aware of prior to or on appointment, for example health and safety and environmental concerns	
Case Management Requirements	
<p>Obtaining legal advice on the validity of appointment to ensure all required documentation has been properly filed and submitted. This would also include a review of any security documentation to confirm the validity of any charges</p> <p>Setting up and administering the insolvency estate bank account through the duration of the case</p> <p>Compiling a forecast of the work that has been or is anticipated will be undertaken for the duration of the case, circulating this to creditors together with such other documentation required to enable the relevant approving creditors to assess and vote on the fee basis proposed</p>	
ASSET REALISATION Work undertaken to date	ASSET REALISATION Future work to be undertaken
<p>One of the main purposes of an insolvency process is to realise the insolvency assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation</p> <p>Instruct agents (GTC) to value the assets of the Company and liaise with the agents in order to assess interest for the sale of the business and assets of the Company on an insolvent basis.</p> <p>Discussions with Ultimate to determine the ledger position and request for relevant documentation</p>	<p>Monitor deferred consideration payments from Purchaser are being made as and when they fall due</p> <p>Liaise with Stephen Wright regarding regular updates on the progress of book debt collections and potentially negotiate with those debtors with disputed amounts due.</p> <p>Communication with Ultimate for documentation to reclaim VAT on interest and termination charges</p>
STATUTORY COMPLIANCE & REPORTING Work undertaken to date	STATUTORY COMPLIANCE & REPORTING Future work to be undertaken
The Administrator is required to provide creditors with the proposals for the conduct of the Administration for approval by creditors in accordance with legislation. Copies of these	<p>Obtaining and securing company books and records.</p> <p>Companies House filing</p>

<p>reports are required to be filed at court and the Registrar of Companies.</p> <p>The obtain creditor approval for the basis on which the office holder's fee will be calculated</p> <p>To calculate and protect the value of assets that are not subject to a charge by obtaining a bond to the correct level</p> <p>Advertising notice of the office holders appointment as required by statute</p> <p>The IP is required to establish the existence of any pension schemes and notify all relevant parties and appoint independent trustees if required.</p>	<p>Completion and release of Insolvency bond and various cashiering functions</p>
<p>INVESTIGATIONS Work undertaken to date</p> <p>An IP has a duty to review the books and records and other information available to identify the assets that may be available to realise for the benefit of the insolvency estate</p> <p>Furthermore, there may be other antecedent or voidable transactions that are identified which if pursued could yield further funds available for the insolvency estate</p>	<p>INVESTIGATIONS Future work to be undertaken</p> <p>Broad level of investigation of the Company's books and records and determine the Director's unfitness to act as a company director.</p> <p>Submission of the Director Report to the Secretary of State. If the Secretary of State then instigates Directors Disqualification proceedings, further time may be expended in providing supporting documents, witness statements. Such investigation may or may not lead to further asset recovery so creditors should not assume that this activity will provide a monetary benefit to the Administration estate.</p>
<p>CREDITORS Work undertaken to date</p> <p>Notification of Administrator's appointment sent to creditors</p>	<p>CREDITORS Future work to be undertaken</p> <p>If sufficient funds are available to make a distribution to the unsecured creditors, the Administrator/Liquidator will write to all known creditors to notify of the possibility of a distribution and request submission of claims. There are 14 known creditors of the Company.</p> <p>The Administrator will take necessary steps to place the Company into Creditors' Voluntary Liquidation</p>
<p>ADMINISTRATION TO CVL Work undertaken to date</p>	<p>ADMINISTRATION TO CVL Future work to be undertaken</p> <p>On present information, there is likely to be sufficient funds to enable a distribution to creditors. The Administrator will take necessary steps to place the Company into CVL and will undertake all matters arising as a result of the Liquidation.</p>

	<p>This will include statutory filing to the Registrar of Companies, notification to the creditors of the Liquidator's appointment, agreement and adjudication of creditors' claims, declaring and making a distribution and opening of estate bank account. All of the work undertaken by the Liquidator will be paid from any fee agreed in the Administration.</p>
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Appendix VI

Form 2.21B Creditors' Request for a Meeting

Rule 2.37

Creditor's request for a meeting

Name of Company Nationwide Decorators Limited	Company number 07173955
In the High Court of Justice, Chancery Division Leeds District Registry (full name of court)	Court case number 47 of 2017

(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 company

request a meeting of the creditors of (b)
Nationwide Decorators Limited

St John's Terrace
11-15 New Road
Manchester

(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

Appendix VII

Proof of Debt Form

PROOF OF DEBT - GENERAL FORM

**In the matter of Nationwide Decorators Limited
In Administration
and in the matter of The Insolvency Act 1986**

Date of Administration: 20 January 2017

1.	Name of Creditor	
2.	Address of Creditor	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4.	Details of any document by reference to which the debt can be substantiated. [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5.	If the total amount shown above includes Value Added Tax, please show:- (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6.	If total amount above includes outstanding uncapitalised interest please state amount	£
7.	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8.	Give details of whether the whole or any part of the debt falls within any (and if so 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)	Category Amount(s) claimed as preferential £
9.	Particulars of how and when debt incurred.	
10.	Particulars of any security held, the value of the security, and the date it was given	£
11.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Appendix VIII

Disclosure in Accordance with Statement of Insolvency Practice 16 "Pre-Packaged Sales in Administration"

Disclosure in Accordance with Statement of Insolvency Practice 16 "Pre-Packaged Sales in Administration"

Nationwide Decorators Limited (In Administration) ("the Company")

Administrator's report on the pre-packaged sale of the Company's business and assets

Outlined below are details of the sale of the business and assets of the Company to Nationwide Decorators & Spray Finishing Limited ("the Purchaser")

Creditors should be aware of the differing roles of an insolvency practitioner associated with an Administration that involves a pre-packaged sale of the Company's business and assets. Prior to the formal appointment, the insolvency practitioner will have been instructed by the Company and/or a secured creditor to provide advice although will act at all times independent of the Company's management who will remain responsible for the affairs of the Company. That advice will normally include consideration of potential insolvency exit strategies and to assist management meet their fiduciary duties and obligations when running a company with particular attention being paid to a proposed pre-packaged administration sale scenario. On formal appointment, the Administrator, who is an officer of the court and an agent of the Company, will manage the Company's affairs, business and property for the benefit of creditors as a whole.

Background Information

The Company was incorporated on 2 March 2010 under registration number 07173955 and provided painting and decorating services to the commercial and industrial sector. It traded from leasehold premises at 1 Howley Park Close, Morley, Leeds LS27 0BW but provided services on a national basis.

Steven Bevin Wright ("Director") is the sole director of the Company, which employed 6 staff on a full-time/part-time basis. As at the date of the Administrator's appointment, the share capital of the Company was 2 Ordinary shares.

Barclays Bank Plc provided banking facilities to the Company. The business current account operated in credit with no overdraft facility. Barclays Bank Plc did provide a business loan of £3,500 to the Company which was not supported by any charges.

Ultimate Invoice Finance Limited ("Ultimate") provided an invoice finance facility to the Company. As security, the Company provided Ultimate with a fixed and floating charge over the business and assets of the Company dated 13 January 2016.

The Company provided Tandem Invoice Finance Limited ("Tandem") with a debenture which confers a fixed and floating charge over the business and assets of the Company created on 28 May 2013. Tandem confirmed that from 12 January 2016, there was no liability due from the Company. A satisfaction of charge was filed at Companies House on 12 January 2017.

The Company commenced trading in March 2010. On commencement to trade the Company has largely traded profitably. At its last financial year end (31 October 2015 (Unaudited)), the Company reported a Profit Before Taxation of £61,702.

Over the last several months, the Company has encountered trading difficulties due to the loss of its Quantity Surveyor which resulted in a loss of orders. Additionally, the Company's books and records were not maintained correctly which resulted in a significant liability with HMRC not being identified.

The Company fell behind with payment of their VAT for several quarters between March 2015 and June 2016 and interest and surcharges were applied in respect of PAYE/NIC and CIS liabilities for underpayment.

With creditor pressure increasing, the Director sought independent insolvency advice with regards to the options available to the Company.

The Director resolved to file a Notice of Intention to Appoint Administrators on 11 January 2017 in order to receive an interim moratorium to protect the Company and to progress the sale process.

Appointment of the Administrator

Steven Wiseglass was appointed Administrator on 20 January 2017 by the Director.

The qualifying charge holder, Ultimate consented to the appointment on 16 January 2017.

The Appointment was filed at High Court of Justice, Leeds District Registry under case number 47 of 2017.

Initial Introduction

On 13 December 2016, Inquesta Corporate Recovery and Insolvency were invited by the Company to attend a meeting with its Director. The meeting was held to provide Inquesta with a view on the Company's financial circumstances and for Inquesta to provide advice to the Director on the options available to the Company.

Pre-appointment considerations

Steven Wiseglass has had no prior professional relationship with the Director of the Company or with the Company itself, and is bound by the Insolvency Code of Ethics.

The Administrator has considered the different insolvency options available to the Company including Creditors' Voluntary Liquidation, Compulsory Liquidation and the cessation of trade. However, it was considered that a better outcome could be achieved by selling the business and assets as a going concern which would retain value in the Company's operational activities and ongoing agreements which would terminate on Liquidation along with employees' contracts.

Company Voluntary Arrangement ("CVA")

The Company received notification from HMRC on 12 October 2016 that failure to settle the outstanding debt would result in a winding up petition being presented. Due to the limited timeframes afforded, the Company was not in a position to repay the sums due. HMRC advised that a petition would be presented in early January 2017. As a result, the Company was conscious that they would have insufficient time to propose a CVA.

Furthermore, a CVA was not considered appropriate due to the profitability/viability of the Company in the short to medium term, the timeframe involved and the uncertainty over the future funding requirements of the Company.

Creditors Voluntary Liquidation ("CVL")

Whilst a CVL was considered, it was recognised that employees would have been made immediately redundant thus increasing preferential and unsecured creditor claims.

A Liquidation would not provide an interim moratorium to protect the Company's assets from creditor action.

The collection of the Company's book debt may have been impeded due to the onset of a Liquidation scenario thus diminishing the overall amounts due.

Administration

It was not considered possible to trade the business in Administration as there was insufficient working capital available to fund a trading period.

Overall it was considered that a better outcome could be achieved by selling the business and assets as a going concern, which would enable the purchaser to enable continuity of supply and therefore future trade with those suppliers. A pre-pack Administration would also ensure employee job retention and thereby reduce creditor claims against the Company.

The expeditious transfer of the business and certain assets to a purchaser would also ensure that current and ongoing orders from the Company's customers were safeguarded by a purchaser, thus where goods had been paid or part paid for and ordered, any purchaser could honour those contracts. A pre-pack Administration would also enhance overall debtor collections for Ultimate.

The proposed Administrator considered that a better outcome could be achieved by selling the Tangible Assets, Equipment and Work in progress ("WIP") through a pre-pack Administration process to maximise the realisable value of the Company's assets and reduce the level of associated claims and costs incurred in dealing with the Administration.

Valuation of the Business and Assets

The Company's chattel assets were valued by GTC. The agents at GTC were Simon Creber and Iain Gash whom both possess knowledge of the market for the Business and Assets and the skills and understanding necessary to undertake the valuation competently. GTC are independent of Inquesta Insolvency & Corporate Recovery and the affairs of the Company.

GTC attended the Company's premises on 19 December 2016 to prepare a valuation of the Company's chattel assets. Their report confirming the asset values was submitted to Inquesta on 22 December 2016 and was prepared on an in-situ and ex-situ basis.

GTC highlighted that the Company's chattel assets comprised of average quality Office furniture, IT equipment and two motor vehicles. GTC commented that the assets inspected were in a reasonable condition although there was a proportion which was below average condition and IT equipment was deemed functional.

The two motor vehicles were not physically inspected, however the vehicle documents were inspected and a valuation was based upon the information contained therein.

Work in Progress and Order Book

GTC established that the Company had six live contracts at various stages of completion with a total contract value of £204,000 and receipts of £63,000 leaving amounts outstanding of £141,000.

The Company has £66,900 of work in progress to invoice with approximately 10% cost to complete. In addition, the Company had a further £74,100 of work in progress morning forward to completion of the six live contracts.

The Company had not started this stage of work in progress and believed that material, labour and plant costs provide for 80-85% of this value which would leave a net profit of circa £15,000-£18,500.

Stock

GTC valued the Company's stock at £2,000 and were advised that these chattel assets were wholly owned by the Company. GTC advised that the proposed Administrator should be mindful that in the event of a total business extinguishment, the costs associated would outweigh the value of the stock.

Book Debts

The Company's book debts have been assigned to Ultimate and therefore do not form part of the sale to the Purchaser.

Marketing of the Business and Assets

In light of the financial position of the Company, GTC Appraisals Limited ("GTC") were instructed to market the business and assets of the Company for sale.

A marketing exercise was commenced on 19 December 2016. A Business Memorandum providing an overview of the Company's business, assets and financial information was circulated to potentially 1,000 interested parties held within GTC's Interested Party Database who have specifically requested business sales memorandums to be sent when there is the opportunity to purchase a business for sale.

This exercise did not generate any expressions of interest within the deadline of 23 December 2016. The deadline was extended further beyond the Christmas period to allow for any interested parties to register an interest.

An offer was received from the Purchaser on 11 January 2017. This offer was for the sum of £31,000 and included deferred payment terms. For the avoidance of doubt no other offers had been received.

The offer was referred to GTC who advised that the offer was of an acceptable value and should be accepted given the following considerations;

- Taking into account the subcontract nature of the business and the stance the construction sector takes in honouring debts once a company enters insolvency proceedings
- The unlikely event of receiving realisations in this amount should the firm enter liquidation
- The director is intrinsic to the business
- The safeguarding of workforce if a pre pack administration sale is to occur
- The absence of any other offers for the business and assets

The Transaction

The transaction was completed by transfer of the Company's business and assets to Nationwide Decorators & Spray Finishing Limited (the Purchaser) on 20 January 2017.

The assets being sold include the goodwill, Intellectual Property Rights, Stock, Plant & Machinery and customer contracts.

The Company's six employees transferred to the Purchaser on completion of the transaction under The Transfer of Undertaking (Protection of Employment) Regulations 2006.

Purchaser and Related Parties

The Purchaser is Nationwide Decorators & Spray Finishing Limited (registered company number 09514025), a company incorporated on 27 March 2015, and whose registered office is situated at Unit 1 Howley Park Close, Morley, Leeds LS27 0BW.

The Purchaser is a connected party. The director and shareholder of Nationwide Spray Finishing Limited is Stephen Wright who is the director and shareholder of the Company.

Pre-Pack Pool Consultation

As the sale is considered to be to a connected party, the Purchaser was requested to apply to the pre-pack pool. It is understood that the Purchaser did not make the application to seek an opinion on the purchase.

Sale Consideration

The total sale consideration for the business and assets is £31,000. The apportionments are as follows:

Assets	£
Goodwill	1
Business Intellectual Property Rights	1
Plant & Machinery & Stock	1,000
Customer Contracts	29,998
Total	31,000

On completion, payments will be paid on a deferred consideration basis. The first instalment of £7,500 is payable on 30 January 2017 and the balance will be paid in four equal instalments of £5,875 on 28 February 2017, 31 March 2017, 28 April 2017 and 31 May 2017. In support of the deferred consideration payments, Stephen Wright has provided a personal guarantee.

Statutory Purpose

The statutory purpose of the Administration is to achieve one of the following hierarchical objectives;

- Rescuing the Company as a going concern, or
- 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
- Realising property in order to make a distribution to one or more secured or preferential creditors

The Administrator considers that a pre-packaged sale to the Purchaser was appropriate in the circumstances for the following reasons;

1. It is likely to achieve the purpose of the Administration, being to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
2. A sale of the business and assets on a break-up basis would incur additional costs of disposal, further impacting net recoveries.
3. The Administrator and his agents consider that the sale price achieved was the best reasonably obtainable in all the circumstances.
4. That there is to be a distribution to the secured creditor.

Appendix IX

Questionnaire – Enquiry into company's insolvency

Enquiry into company's insolvency

Company: Nationwide Decorators Limited

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

Name:

Date:

Signature:

Position:

Appendix X

Form 2.25B – Notice of Resolutions by Correspondence

Rule 2.48

Notice of conduct of business by correspondence

Name of Company

Nationwide Decorators Limited

Company number

07173955

In the

High Court of Justice, Chancery Division Leeds District Registry
(full name of court)Court case number
47 of 2017(a) Insert full name(s)
and address(es) of
administrator(s)

Notice is hereby given by (a)
Steven Wiseglass
Inquesta Corporate Recovery & Insolvency
St John's Terrace, 11-15 New Road
Manchester M26 1LS

(b) Insert full name and
address of registered
office of the company

to the creditors of (b) Nationwide Decorators Limited
c/o Inquesta Corporate Recovery & Insolvency
St John's Terrace 11-15 New Road
Manchester M26 1LS

(c) Insert number of
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c)
4 resolutions for your consideration. Please indicate below whether you are in favour or
against each resolution.

(d) Insert address to
which form is to be
delivered

This form must be received at (d)
Inquesta Corporate Recovery & Insolvency
St John's Terrace, 11-15 New Road
Manchester
M26 1LS

(e) Insert closing date

by 12.00 hours on (e) 6 April 2017 in order to be
counted. It must be accompanied by details in writing of your claim. Failure to do so
will lead to your vote(s) being disregarded.

Repeat as necessary for

Resolution (1) for the approval of the Administrator's proposals
as circulated (excluding paragraphs 13.1.6 to 13.1.8 as covered
by the resolutions below)

I am *in Favour / Against

the number of resolutions

Resolution (2) that the Pre Appointment costs and expenses of
the Administration are paid as detailed in the Administrator's
report

I am *in Favour / Against

attached.

Resolution (3) that the Administrator's remuneration be based on
a percentage of assets realised and distributed fixed each at
35% plus VAT

I am *in Favour / Against

Resolution (4) that the Administrator be empowered to draw
disbursements on account in accordance with the charge out
rates as published (also known as Category 2 disbursements)

I am *in Favour / Against

*Delete as appropriate

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor

Signature of creditor

(If signing on behalf of creditor, state capacity e.g. director/solicitor)

If you require any further details or clarification prior to returning your votes, please
contact me/us at the address above.

Signed



Joint Administrator(s)

Dated

10.3.17