

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Universal Highways Limited	Company number 07323303
In the High Court of Justice, Chancery Division, Manchester District Registry (full name of court)	Court case number 3043 of 2016

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

I/We (a)
Kelly Burton
Wilson Field Limited
The Manor House
260 Ecclesall Road South
Sheffield
S11 9PS

Lisa Jane Hogg
Wilson Field Limited
The Manor House
260 Ecclesall Road South
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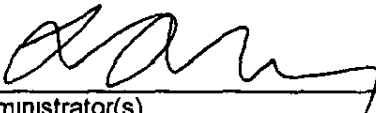
*Delete as applicable

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

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

(b) 24 November 2016

Signed


 Joint / Administrator(s)

Dated

24.11.16.

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

Kelly Burton
Wilson Field Limited
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DX Number

01142356780
DX Exchange

MONDAY



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28/11/2016
COMPANIES HOUSE

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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

**In the High Court of Justice, Chancery Division, Manchester District Registry
Court Number 3043 of 2016**

In the matter of

Universal Highways Limited ("the Company")

and

**In the matter of the Insolvency Act 1986
as amended by the Enterprise Act 2002**

**Statement of the Joint Administrators' proposals for achieving the purpose of Administration
("the Proposals")**

**Pursuant to Paragraph 49 of Schedule B1 of the
Insolvency Act 1986 as applied by Section 248
of the Enterprise Act 2002**

The Company – In Administration

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1. Introduction

The Proposals are made pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 ("the Act") Paragraph 49(2) of Schedule B1 to the Act requires the Proposals to deal with the matters set out in Rule 2.33(2) of the Insolvency (Amendment) Rules 2010 ("the Rules")

A copy of the Proposals have been sent to,

- the Registrar of Companies,
- every creditor of the Company whose claim and address the Joint Administrators are aware of,
- every member of the Company whose address the Joint Administrators are aware of

It is considered that the EC Regulation on insolvency proceedings will apply and that these proceedings will be main proceedings as defined in Article 3 of the EC Regulation

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

- a) rescuing the Company as a going concern, or
- b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
- c) realising property in order to make a distribution to one or more secured or preferential creditors

2 Statutory Information

Company name	Universal Highways Limited		
Registered address	c/o Wilson Field Limited ("Wilson Field") The Manor House 260 Ecclesall Road South Sheffield S11 9PS		
Former registered address	Yard 1 Downland Business Park Manby Louth LN11 8UX		
Other trading names	None		
Company number	07323303		
Date of incorporation	22 July 2010		
Objects	Road and floor preparation, paint and markings		
Authorised share capital	100 Ordinary Shares of £1		
Issued share capital	100 Ordinary Shares of £1		
Shareholders	Name	Shares	
	Alan Giles Dixon Phillips	50 Shares of £1 each	
	Darren James Phillips	50 Shares of £1 each	
Debenture holders	<p>The Company granted a debenture incorporating fixed and floating charges to Lloyds TSB Commercial Finance Limited ("Lloyds"), which was created on 4 May 2011 and registered at Companies House on 6 May 2011. It is understood that there is no indebtedness due to Lloyds under its debenture, although the charge remains unsatisfied at Companies House.</p> <p>In addition, the Company granted a debenture incorporating fixed and floating charges to Ultimate Invoice Finance Limited ("Ultimate") which was created on 1 July 2015 and registered at Companies House on 10 July 2015.</p>		
Directors	Name	Appointed	Resigned
	Alan Giles Dixon Phillips	31 July 2011	-
	Darren James Phillips	22 July 2010	-
Company Secretary	None		

3. Court Details and Joint Administrators appointment

The High Court of Justice, Chancery Division, Manchester District Registry, is the Court seized of the Administration proceedings. The Court reference number is 3043 of 2016.

As referred to in section 2 of the Proposals, Ultimate hold security by way of a debenture incorporating a fixed and floating charge over all assets and undertakings of the Company. As holder of a qualifying floating charge, Ultimate filed a notice of appointment of an administrator ("NOA") on 9 November 2016, pursuant to the provisions of Paragraph 14 of Schedule B1 to the Act.

Kelly Burton and Lisa Jane Hogg are Insolvency Practitioners licensed by The Institute of Chartered Accountants in England and Wales ("ICAEW").

The Joint Administrators considered the position prior to accepting the appointment, and having regard to their ethical guidelines, considered that there were no circumstances preventing them from accepting the appointment.

Kelly Burton and Lisa Jane Hogg of Wilson Field, The Manor House, 260 Ecclesall Road South, Sheffield S11 9PS were appointed Joint Administrators of the Company.

In accordance with paragraph 100(2) of Schedule B1 of the Act both of the Joint Administrators may exercise any or all of the functions of the Joint Administrators jointly or alone.

4. Joint Administrators' report to creditors on the pre-packaged sale of the Company's business and assets, pursuant to SIP 16

The information provided in this section is based upon the Company records, the accuracy of which the Joint Administrators are unable to vouch for. The Joint Administrators cannot therefore be held personally liable for errors or misstatement of fact contained therein.

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

In this case, the Joint Administrators considered a pre-packaged sale to be appropriate because it would allow for the following benefits,

- The continuation of trade has meant that the Company's existing clients will continue to be serviced, which in turn will assist in preserving the value of the Company's book debt ledger, which is its principal asset,
- The preservation of jobs for the Company's four employees has mitigated the crystallisation of a significant liabilities in respect of employee claims for arrears of wages, holiday pay, pay in lieu of notice and statutory redundancy pay,
- Maximum value has been obtained for the Company's business and assets, which had been subject to inspection and valuation by National Association of Valuers and Auctioneers ("NAVA") registered valuation agents, David Currie & Co ("DCC") of Cardinal House, 20 St Mary Parsonage, Manchester M3 2LY.

Prior to the appointment of an Administrator, an insolvency practitioner may act in an advisory capacity to the Company. During this time the insolvency practitioner's role is not to advise the directors personally or any parties connected with any eventual purchaser of the Company's business or assets. It is also possible that a different insolvency practitioner may be the eventual Administrator and not the insolvency practitioner who provided the advice to the Company before any formal appointment was made.

The role of an Administrator once the Company has entered Administration is to perform their functions with the objective of either 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 rather than being placed into Administration first

If neither of these objectives is reasonably practicable, the third objective of realising property in order to make a distribution to one or more secured or preferential creditors of the Company may be pursued, providing the Administrator avoids unnecessarily harming the interests of the creditors as a whole

Set out below is further information containing a summary of the circumstances relevant to the pre-packaged sale of the Company's business and assets to Universal Louth Limited ("ULL") in accordance with SIP 16. In agreeing to the pre-packaged sale, I can confirm that I have considered the purpose of the Administration and the fulfilment of my statutory obligations to creditors under Paragraphs 3(2) and 3(4) of Schedule B1 to the Act

Background

The Company was incorporated on 22 July 2010 and commenced trade immediately thereafter from the leasehold premises at Yard 1, Downland Business Park, Manby Louth, LN11 8UX. The Company's principal activity was to provide road and floor preparation, paint and markings to clients on a national basis. The Company provided services in varied arenas, from the markings in multi-storey car parks through to safety markings in warehouses and office blocks. Such works were carried out on a job by job basis and as such, no formal contracts were in place between the Company and its customers.

At the date of incorporation there were three directors listed at Companies House namely, Darren Phillips, Carl Leonard (resigned 10 March 2011) and Jonathon Round (resigned 22 July 2010). Alan Phillips is recorded as being appointed a director on 31 July 2011. Alan and Darren Phillips are the only current directors and shareholders of the Company, each holding 50% of issued shares.

Alan Phillips was a director and Darren Phillips a secretary of a previous, similarly named company, Universal Highways 2003 Limited ("UH2003"). UH2003 entered into a Company Voluntary Arrangement ("CVA") in March 2007 which subsequently failed, resulting in UH2003 being placed into Administration. UH2003 subsequently exited Administration at the conclusion of the Administration term where it was then placed into Creditors Voluntary Liquidation ("CVL") in December 2013. As a result of UH2003 entering into Liquidation, the Company purchased the assets of UH2003 on a deferred consideration basis.

The Company banked with the Lloyds Bank plc ("the Bank") and operated with an approved overdraft facility of £4,000. The Bank holds security over its indebtedness by way of personal guarantees from the directors of the Company, restricted to £5,000. The balance on the Company's current account is £1,231 and there is a small balance of £89 held in a reserve account.

In order to assist cash flow, the Company had historically operated invoice finance facilities, initially with Lloyds and latterly with Ultimate. The agreement with Lloyds was concluded in early July 2015, when Ultimate took over the provision of the factoring facility. In accordance with the terms and conditions of the factoring agreement, the Company granted a debenture to Ultimate which incorporates fixed and floating charges. The debenture was created on 1 July 2015 and registered at Companies House on 10 July 2015.

The Company experienced an initially strong period of trading, recording net profits before interest, tax, depreciation and amortisation, of £72,165 and £66,023 during the years ended 31 July 2012 and 31 July 2013 respectively.

However, the Company's performance has been impacted by various issues in the subsequent years' trading, which has in turn reduced profitability. It became apparent to the directors of the

Company that the then instructed accountants had overstated the turnover in the accounts to 31 July 2013 by circa £50,000, which in turn led to larger payments due to HM Revenue and Customs ("HMRC"). The directors endeavoured to combat this by instructing new accountants, however, the previous year's accounts were never re-stated and the historic liability that arose as a result has hampered trade.

In addition, the Company's financial position was compounded by accrued overpayments of Construction Industry Scheme ("CIS") taxes to HMRC by the Company's main customer, Universal Sealants Limited ("Universal"). CIS taxes at the prevailing rate of 20% of the labour aspect of the work carried out was deducted prior to the Company receiving payment of the invoice. The directors consider that since 2010, Universal have deducted 20% of the gross invoice total, making no allowance for the costs of materials. This has resulted in estimated underpayments to the Company in excess of £50,000 over the last six years. The Company has made various attempts to dispute the payments made to HMRC but despite such efforts, the situation remains unresolved.

As a result of the disputed liability and the inability for the Company to make any significant payment to HMRC, a demand for circa £12,000 in Corporation Tax was issued, based on the disputed financial statements filed for the year ended 31 July 2013. Shortly after this a formal demand was issued against the Company by the Liquidator of UH2003 for an outstanding balance of sale consideration due from the Company to the Liquidator of UH2003 for the purchase of assets. This balance was not secured against any of the Company's assets, however, served to compound the Company's difficulties.

The Company made attempts to seek a repayment plan with the Liquidator of UH2003, however this was not agreed and the Company was unable to meet the demand issued by HMRC. As a result, HMRC issued a Winding Up Petition ("WUP") against the Company for £83,215 on 3 October 2016, which was due to be heard on 21 November 2016.

Despite the directors remaining resolute that the Company did not owe such a liability to HMRC, it was considered that seeking formal advice in respect of the Company's financial position was necessary. As a result, the directors discussed the matter with Avanti Corporate Solutions Limited ("Avanti"), who had been in discussions with the directors regarding the existing invoice finance facility with Ultimate since the start of October 2016, with the intention of providing some alternatives in the market place.

Initial Introduction

On review of the position, Avanti suggested that the Company seek formal insolvency advice and provided contact details for Mr Richard Froggatt, a senior consultant at Wilson Field. Mr Froggatt initially spoke with Mr Alan Phillips via telephone on 20 October 2016 and arranged to meet on Monday 24 October at the Company's trading premises.

At the initial meeting the Company's financial position was discussed at length and Mr Froggatt was provided with a copy of the petition issued by HMRC. A brief on the Company's current assets and liabilities, which included confirmation on the relationship the Company had with Ultimate, was also provided. It was also confirmed that the directors wished to preserve the Company's trade in some form at the meeting. Taking this into account, Mr Froggatt considered that the Company and its creditors would benefit from a process such as pre-packaged Administration.

The directors reflected on the Company's financial position, together with the advice received, and considered that a pre-packaged sale of the business via an Administration could be the best course of action for the Company and its creditors as a whole. The directors agreed that in order to confirm this, a valuation of the Company's assets should be undertaken and requested the same be arranged by Mr Froggatt.

However, the directors also advised that they wished to seek further advice from another firm of insolvency practitioners before coming to a final decision and confirmed that a meeting had been arranged to meet with representatives of Begbies Traynor on 26 October 2016. The directors advised that following this meeting, a decision would be made as to which firm would assist the Company with pursuing its insolvency options.

Following the meeting with the directors, Mr Froggatt instructed DCC to attend on the Company's trading premises and review its asset position. Following confirmation of their independence in the matter, DCC arranged to attend site on 27 October 2016.

Given the existing working relationship between Wilson Field and Ultimate, Mr Froggatt, with the consent of the directors, advised them of the Company's position, that he had met with the directors to discuss the options available and that a valuation of its assets was being obtained. Ultimate confirmed that they had been concerned with the Company's status for some time and requested that they be kept informed of any developments.

The directors duly met with Begbies Traynor, who it is understood also offered similar advice to that tendered by Mr Froggatt. On review of the advice received from both firms of insolvency practitioners, the directors considered that immediate steps should be taken to try to preserve the collectability of the Company's book debt ledger by seeking to appoint Joint Administrators from Wilson Field.

The directors confirmed their intentions to engage Wilson Field, however, given that the WUP had been served against the Company by HMRC, the ability for the directors to place the Company into Administration and appoint Joint Administrators via Paragraph 22 of Schedule B1 of the Act was no longer possible. However, Ultimate held the power to appoint Joint Administrators under Paragraph 14 of Schedule B1 of the Act, in its capacity as holder of a qualifying floating charge.

As a result, Mr Alan Phillips wrote to Ultimate and confirmed his concerns that should the Company be placed into Compulsory Liquidation ("WUC") following the WUP being heard at Court, the Company would be forced to cease trade immediately. Mr Phillips requested that steps to appoint Joint Administrators be taken as soon as possible. Ultimate considered that were there to be a cessation of trade with no scope to service the existing client base via a successor business, the collection of the Company's factored debtor ledger would prove much more difficult, placing additional risk on their secured indebtedness. As such, Ultimate considered the request to be in the best interests of the Company and was expedient to protecting its position as secured creditor.

Ultimate liaised with Mr Froggatt and also Ms Kelly Burton, who was anticipated to be Joint Administrator of the Company. Mr Froggatt and Ms Burton advised that a copy of DCC's valuation report had been received and on consideration, a pre-packaged Administration appeared to be the most appropriate route to take, as it would maximise the recoveries in respect of the Company's factored debtor ledger.

On this basis, Ultimate advised the Company that it was their intention to place the Company into Administration under the terms of their security. On considering the position further, the directors also concluded that a pre-packaged Administration could potentially offer the best outcome and for the Company and its creditors.

The Joint Administrators do not believe that there is any significant personal or professional relationship with the Company or its directors which would prejudice their objectivity to act in this matter. Furthermore, Wilson Field carried out the appropriate conflict and ethical reviews prior to accepting the appointment. The Joint Administrators can confirm that they were formally engaged by the Company on 2 November 2016 on a verbal basis, however due to Alan Phillips' unavailability a formal letter of engagement was not signed until 10 November 2016.

Creditors should be aware of the differing roles an Insolvency Practitioner plays where a pre-packaged sale of the Company's business and assets is agreed. Prior to appointment, the

Insolvency Practitioner was instructed to advise the Company on its financial position, the most appropriate insolvency route available and its obligations to minimise the loss to creditors

It should be noted that the Insolvency Practitioner's role is not to advise the directors of the Company, who have been encouraged to take independent advice

On appointment, the Joint Administrators act as agent of the Company and will manage the Company's affairs, business and assets for the benefit of creditors as a whole throughout the period of the Administration

Pre-appointment considerations

The Company's general financial position was discussed in the initial meeting with Mr Froggatt on 24 October 2016. All rescue options were discussed with the Company at the meeting and following the meeting, Mr Froggatt liaised with Ms Kelly Burton, a licensed insolvency practitioner of Wilson Field, to advise of the Company's current position and the options he had previously discussed. Ms Burton confirmed that it appeared the best course of action would be a pre-packaged sale of the business however, a valuation would be required to confirm the asset position. Mr Froggatt duly confirmed DCC's instruction in this regard, who subsequently provided their valuation report on 27 October 2016.

Mr Robert McArdle, a valuation agent and NAVA Member attended on the Company and carried out the valuation on DCC's behalf. Mr McArdle advised that on meeting with the directors and obtaining an understanding of the Company's position, there was merit to exploring further the potential for selling the business as a going concern. In doing so Mr McArdle believed that a greater value could be achieved for the Company's assets than what might be achieved in a break up sale scenario. Mr McArdle also considered a sale as a going concern would likely preserve the employment of the Company's four staff members and maintain service levels to the Company's existing client base, preserving the historic debtor ledger.

In providing his valuation report, Mr McArdle advised of his proposed marketing strategy, which is discussed in greater detail further on in this disclosure. However to summarise, Mr McArdle considered that a short term direct marketing campaign, involving the production of a marketing flyer to be sent to the existing interested parties on DCC's database of interested parties would prove the most expedient way of gaining interest in the potential opportunity.

In addition, Mr McArdle advised that a "business and assets for sale" notice would be placed on DCC's website. Mr McArdle advised it was unlikely that a protracted marketing process would return a greater net of costs realisation to creditors and that the associated costs of continuing to trade the business, during even a relatively short period of marketing could, when added to the additional costs of such further media marketing, lead to disproportionate disbursements being incurred, all to the detriment of creditors. Mr McArdle therefore advised that the best possible chance of securing a sale of the Company's business and assets as a going concern, would be to invite offers for all tangible and intangible assets of the business, on a short notice basis with a view to securing a sale of the same.

Following formal engagement being verbally provided by the Company and on considering the advice provided by Mr McArdle, Ms Burton concluded that the marketing recommendations provided the most expedient route to obtaining offers for the business. Following confirmation from Alan Phillips that the proposed strategy was accepted, Ms Burton duly instructed DCC to carry out marketing on 4 November 2016.

As advised, the directors had intimated during initial conversations that they wished to see the business continue in some form and maintained that they would be interested in making an offer for the Company's business and assets on a going concern basis. As a result, Mr Darren Phillips and Mr Mark Smith (one of the Company's employees) tabled an offer for £11,000 for the Company's tangible assets, Goodwill and Intellectual Property on 7 November 2016.

The offer was noted to exclude the rights to collect the Company's book debt ledger (which is subject to Ultimate's security) In addition, the sale consideration was to be paid on a deferred basis by a new company ULL, which had been set up with the specific purpose of carrying on the business by Mr Darren Phillips and Mr Smith

The offer was forwarded to Mr McArdle for consideration Mr McArdle duly provided his comment on the offer on the 8 November 2016, advising that in the absence of competitive interest, the offer be accepted

In providing such recommendations, Mr McArdle took into consideration the fact that despite the marketing processes employed, no interest for the business had become apparent and that no other offers had been made Further, Mr McArdle noted that should the Company fall into WUC as a result of HMRC's WUP, all prospect of realising the non-tangible assets, such as the intellectual property and goodwill would disappear Furthermore, Mr McArdle considered that the tangible assets would, in such a scenario, realise a far lower figure on the open market Notwithstanding this position, Wilson Field noted that realisations in WUC would be further depressed due to the realisation fees applied by the Secretary of State in a WUC scenario

On receipt of Mr McArdle's advice, Ms Burton considered that the offer would also allow for the preservation of the business, which would in turn provide a continuation of service to the Company's customers, assisting in preserving the Company's book debt ledger

The continuation of business would also mean the Company's four staff would have their contracts of employment transferred to ULL under the Transfer and Undertaking for the Protection of Employee Regulations 2006 ("TUPE"), mitigating a liability to the Company's insolvent estate in respect of termination claims, understood to be in the region of £52,937

On the basis of the above, the proposed Joint Administrators considered that the offer should be accepted and advised the Company and Ultimate of the same on 8 November 2016 Ultimate, in their capacity as a qualifying floating charge holder over the Company's assets, confirmed their acceptance in principle to the proposed strategy, as did the Company As a result, Ultimate instructed solicitors, Turner Parkinson LLP ("TP"), of Hollins Chambers, 64a Bridge Street, Manchester M3 3BA to prepare the relevant notices pursuant to Paragraph 14 of Schedule B1 of the Act for the appointment of Ms Kelly Burton and Ms Lisa Jane Hogg of Wilson Field as Joint Administrators of the Company

TP duly did so and Ms Burton and Ms Hogg were appointed Joint Administrators at 2 35pm on the 9 November 2016, in the High Court of Justice, Chancery Division, Manchester District Registry

Simultaneous to the appointment, TP were instructed by the Company to draft a Sale and Purchase Agreement ("SPA") and debenture documentation in order to finalise and agree the terms of the sale These were circulated and agreed verbally by all parties on Monday 14 November 2016 Unfortunately however, the sale of the Company's business and assets was not concluded by the Joint Administrators until the 23 November 2016 as the directors of ULL were not available to sign the SPA and Debenture documentation until that date. The terms of the SPA however define the transaction date to be the 14 November 2016

On appointment the Joint Administrators also formalised an agreement with Mr Alan Phillips, whereby he would assist the Joint Administrators in the collection of any subsequently re-assigned debtor ledger from Ultimate back to the Company Further details of the reasons behind the agreement are provided in the valuation section of this disclosure

The following courses of alternative action were considered with the directors prior to the Joint Administrators' appointment and the pre-packaged sale

Company Voluntary Arrangement

The Joint Administrators considered the possibility of the Company seeking a CVA, which is a binding agreement between the Company and its creditors where creditors agree to a reduction in the Company's liability due to them, subject to the Company providing a viable restructuring plan for its ongoing trade

The potential for a proposal for a CVA was discussed with the Company's directors, however they advised they had no interest in pursuing this insolvency option. The directors cited their previous experience of the process with UH2003 and the CVA that company had entered into previously. The directors advised that for reasons not known to them, the CVA was terminated in its closing stages and UH2003 was moved to Administration, causing undue delays and additional costs. In addition the reputational damage experienced with both the customer and supplier base of UH2003 on entering the CVA proved to be detrimental to the business.

In addition, HMRC had already issued a WUP against the Company, which was due to be heard on the 21 November 2016. The directors considered that this was as a result of the breakdown in communication between the two parties, which was deemed irreparable.

As a result the directors considered that a CVA would not be a viable option.

Liquidation - CVL or WUC

The possibility of placing the Company into CVL was reviewed however it was perceived that, for a number of reasons, Administration would provide the best outcome for creditors as a whole.

As previously noted, the Company's assets were professionally valued by Mr McArdle of DCC who confirmed that both the Company's tangible and intangible assets could have an in-situ market value in a going concern sale scenario of £18,150. Further, the directors had already intimated their wishes to see the business continue in some guise.

CVL or WUC would mean an immediate cessation of trade, resulting in an asset rather than business sale. It would also be likely that the assets would be required to be sold on an ex-situ basis, for which Mr McArdle attributed a global value of £2,600.

In addition, the deficiency to creditors would increase, as the cessation of trade would also require the immediate termination of the Company's four employees, which could equate to a further liability to the estate of £52,937 in relation to employee claims for arrears of wages, holiday pay, pay in lieu of notice and statutory redundancy pay.

Any attempts to realise assets in a CVL or WUC would also attract further costs too, as a break up sale in a CVL scenario would require DCC to oversee the removal of the assets from the Company's trading premises and making them good for sale. With no formal lease in place, this would also likely include a fee for continuing to occupy the building whilst the process was carried out. Mr McArdle envisaged DCC's costs to be in the region of £2,000 in dealing with the Company's assets in such a manner.

Consideration was given to allowing the WUP to continue and for the Company to be wound up and placed into WUC, however, this was considered to be the worst potential outcome available to creditors. Should the Company be wound up, it would mean an immediate cessation of trade, with the subsequent realisations made being on a break-up basis and subject to Secretary of State Fees, which would further reduce the funds available to creditors.

Administration

As previously advised, Administration was considered the best insolvency option. Following Mr McArdle's initial review of the assets, it was identified that a sale as a going concern would be best served to maximise realisations of the Company's assets. Such a sale would allow for an increase in asset realisations and would facilitate the mitigation of employees termination claims. In addition, a going concern sale would also allow for the preservation of the Company's existing debtor ledger, as service to the Company's customers would be preserved.

The Administration process was initially explained to the directors at the outset of Wilson Field's involvement. These discussions included an explanation of the three statutory purposes of Administration, as set out in Paragraph 3(1) of Schedule B1 to the Act. It was noted that

Administration would allow the Company to explore the possibility of a sale on a going concern basis, which was likely to offer considerably enhanced realisations for the benefit of the Company's secured creditor compared to the alternative insolvency scenarios

In discussing the Company's options with the directors, the three statutory purposes of Administration were considered and that the first statutory purpose of Administration could not be achieved as the Company cannot be rescued as a going concern due to the extent of its insolvency

In addition an estimated outcome statement prepared by the Joint Administrators confirmed that realisations of the Company's assets will be insufficient to enable a distribution to unsecured creditors. Accordingly, the second statutory purpose of Administration will not be achieved and the Joint Administrators give notice in accordance with Paragraph 52(1)(b) of Schedule B1 to the Act that the Company has insufficient property to enable payment of a dividend to unsecured creditors "

In this instance and based upon the realisations derived from a going concern sale in an Administration, it was considered that the third purpose of Administration that is, realising property in order to make a distribution to secured creditors would be achieved

As advised, Ultimate hold a fixed and floating charge over the Company's assets in relation to the invoice factoring facility operated with the Company. It was considered that whilst the sale of the Company's assets would not allow for a distribution to Ultimate under the terms of their security, it would crystallise the liability due from the Company and allow the collect out process to begin. This in turn would reduce the liability due to Ultimate under the terms of their security

In addition, it was considered that the continued trade as a result of the sale to ULL would serve to preserve the collectability of the book debt ledger, maximising Ultimate's chances of recovering their capital indebtedness

As at the date of the Joint Administrators' appointment Ultimate were owed £13,877, whilst the outstanding book debt ledger stood at £86,130

Trading the business

Trading the Company whilst seeking a post appointment sale was not considered an option at the outset, as the likely costs associated with the Joint Administrators running the Company were such that any benefit from trading the Company in order to find suitable buyers would not be passed on to the Company's creditors. This was later confirmed by Mr McArdle in his valuation report, where it was apparent that the assets' realisations were to be of a relatively modest value

In addition, the fact that no interest was received from any unconnected parties, despite the marketing process that had been undertaken, serves to suggest that trading the business would not have identified an alternative purchaser for the Company's business and assets

None of the Company's creditors were consulted on the possibility of funding trading the business as it was apparent that realisations would not prove sufficient to extinguish the increased time costs and likely trading losses associated with trading the Company's business post appointment

Comparative outcome

The Joint Administrators are satisfied that the sale of the Company's assets under the terms of the pre-packaged sale has resulted in the best outcome reasonably obtainable for creditors in the circumstances. The following table provides a comparative outcome with a sale of the Company's assets in CVL or through a restricted marketing period post Administration as against the outcome obtained via the pre-packaged sale

Details of Assets	Pre-packaged sale in Administration £	Sale in Liquidation/under Restricted Marketing conditions £
Plant Machinery & Equipment	5,400 00	2,250 00
Office Furniture & Equipment	228 00	100 00
Residual Consumable Stock	372 00	250 00
Goodwill	5,000 00	Nil
Totals	11,000.00	2,600 00

As previously advised, communications were maintained with the Company's secured creditor (Ultimate) throughout the appointment and sale process. The communications allowed for Ultimate to consider their position fully and ultimately, take the necessary steps to preserve their position by appointing Joint Administrators. No other communications were held with the Company's creditors.

To confirm the following charges are registered against the Company

Charge in favour of	Date of Creation
Ultimate Invoice Finance Limited	10 July 2015
Lloyds TSB Commercial Finance Limited	4 May 2011

The business was not acquired from an insolvency process within the previous twenty four months, as the assets were purchased from the Administrators of UH2003 in July 2010. To confirm Wilson Field have had no involvement with the previous insolvency procedures documented in this disclosure.

There is a degree of uncertainty surrounding the circumstances which led to the Company's acquisition of UH2003's assets, all of which will be investigated by the Joint Administrators in due course. However, the director's explanation is that on the cessation of trade and UH2003 moving from administration to CVL a sale of the assets of UH2003 was concluded back to the incumbent management of UH2003 on a deferred consideration basis. As at the date of the Joint Administrators' appointment, £31,542 was due in respect of the deferred consideration.

Marketing of the business and assets

Marketing a business is an important element in ensuring that the best available consideration is obtained for it in the interests of the Company's creditors as a whole. The Joint Administrators advised the Company prior to their appointment, that any marketing should conform to the marketing essentials set out in SIP16 which includes the following key considerations:

- The business should be marketed as widely as possible, proportionate to its nature and size in the time available using whatever media or other sources that are likely to achieve this outcome,
- Previous marketing of the business prior to the Administrator's involvement may not provide justification to avoid further marketing. The Administrator must be satisfied as to the adequacy and independence of any prior marketing undertaken by the Company,
- Marketing should have been undertaken for an appropriate length of time to satisfy the Administrator that the best outcome for creditors as a whole has been achieved,
- Any marketing attempts must by default, include the use of the internet.

The directors of the Company confirmed that they had not carried out any attempts to market the business for sale previously. It was therefore considered that marketing exercises would be required to be undertaken, prior to any offer for the business being accepted. As such DCC

were instructed on 24 October 2016 to undertake a valuation of the business with a view to assist in determining the most appropriate strategy for dealing with the Company and its assets. Mr Robert McArdle of DCC duly attended the trading premises and met with the directors on 27 October 2016, providing his valuation report, which incorporated marketing proposals on the same day.

In terms of marketing advice, Mr McArdle recommended that marketing of the business commence at the earliest possible opportunity. DCC would prepare a marketing flyer to give a brief outline of the business on a no-name basis, to be circulated to the DCC's corporate database of 450 companies or individuals of high net worth looking for opportunities to invest in distressed businesses. In addition to the flyer, DCC would place an advertisement on their website disclosing the opportunity on an anonymous basis. The advert would then be picked up by various trade journals and business publication web portals, meaning prospective interested parties would have been diverted to "Business for Sale" page upon carrying out an appropriate web search. It could therefore be considered that the web sale notice was exposed nationally to an audience of thousands.

Mr McArdle advised that, given the looming hearing for the WUP, a shortened period of marketing be conducted, as to allow a sufficient amount of time for any subsequent sale to be agreed.

Mr McArdle further advised that assuming sufficient interest was created from the flyer and the website advert, a non-disclosure agreement should be signed by the interested parties before being provided with a summary of the opportunity, all with a view to obtaining offers in principal for the business by no later than 12noon on the 8 November 2016. Opportunities for due diligence to be undertaken thereafter would then be made available.

The strategy was considered and concluded to provide the most expedient route to obtaining interest in the Company and its assets. This was based on Wilson Field's previous experience in dealing with similar matters, where this type of marketing strategy proved to offer the most favourable results, particularly as the targeted individuals had already intimated their interest in purchasing the assets of distressed businesses.

Consideration was given to advertising the opportunity in physical press releases, both national papers and industry specific, however this was disregarded on the basis that the associated lead time in bringing the advert to press would delay the process of seeking a buyer and in the experience of both Wilson Field and Mr McArdle, such a marketing strategy rarely provides the desired results.

The marketing flyer was circulated on 4 November and the advertisement placed the same day. Unfortunately, the exercise did not result in any expressions of interest and no enquiries were made as a result of the advertisement on DCC's website.

However, following the execution of the marketing strategy, an offer was received from one of the Company's incumbent directors and one of the Company's employees, Mr Darren Phillips and Mr Mark Smith, as directors and shareholders of ULL. The offer was provided to Mr McArdle for consideration and Mr McArdle provided his confirmation that in the circumstances, the offer represented the best outcome for the Company and its creditors.

The Joint Administrators consider that the adopted marketing strategy has provided sufficient opportunity to potentially interested parties to consider the business, within the time constraints afforded by the WUP and the Company's deteriorating position and allowed for the best outcome in the circumstance to be confirmed.

Valuation of the business and assets

As advised, Mr Robert McArdle, a member of NAVA and chartered valuation agent of DCC was instructed to undertake an appraisal of the Company's business and assets with a view to

providing asset values, marketing and disposal advice. Prior to accepting the instruction, DCC and Mr McArdle considered their position and concluded they could act independently and without any conflict of interest. They also confirmed on accepting the appointment that they had adequate Professional Indemnity insurance to deal with the instruction.

DCC were selected to carry out the valuation on the basis of Mr McArdle's extensive experience in dealing with the appraisal and the subsequent disposal of distressed business and their assets. Mr McArdle also has a wealth of experience in dealing with the directors of distressed business and has amassed a large database of potentially interested parties of significant wealth that are interested in such opportunities, who are easily approached via DCC's email based flyers.

DCC's Valuation advice is provided in the table below,

Description	In Situ Value (£)	Ex Situ Value (£)
Plant Machinery & Equipment	7,500 00	2,250 00
Office Furniture & Equipment	250 00	100 00
Residual Consumable Stock	400 00	250 00
Goodwill	10,000 00	Nil
Totals	18,150.00	2,600.00

The rationale behind the varying valuations obtained was in order to confirm which disposal strategy would result in maximum realisations for the benefit of the Company's creditors as a whole. In supplying his report on the Company's assets Mr McArdle comments further on each asset type as follows:

Plant Machinery & Equipment

The Company operated a small range of specialist floor preparation and coating plant, including three TITAN airless sprayer/line marking machines, the youngest of which was circa 15 years old, two 2010 manufactured SPE floor preparation machines, SCHWAMBORN floor preparation machine of indeterminate age, two 2009 manufactured SPE industrial vacuum cleaners, two 2009 manufactured SPE industrial floor grinders and a VON-ARX floor scabber.

Mr McArdle noted that whilst expensive capital purchases when new, airless spraying equipment does not sell for vast sums in a used, un-refurbished condition. The main reason being the high price of replacement parts. For example, if the main pump requires replacement, associated costs could easily exceed £1,000.

When purchasing used spraying equipment, prospective purchasers are unaware of the machine's maintenance history, so inevitably exercise caution when deciding how much they may be willing to gamble when purchasing what are clearly well used, heavily soiled machines.

It was therefore considered that a sale on an in-situ basis and to an entity with prior knowledge of the assets in question would prove to maximise realisations.

Office Furnishings & Equipment

Mr McArdle considered that it was not cost effective to schedule the office contents fully, however took brief details in order to provide an overview of the items encompassed by this classification. Mr McArdle noted that the Office Furniture and Equipment comprised of aged chairs, desks and computer equipment, all of which was in a poor condition.

In his report, Mr McArdle estimates of a likely ex situ value for the office effects, however caveated this with the opinion that the costs associated with realising such poor quality, low value items on an ex-situ basis, would undoubtedly exceed whatever sum was eventually realised.

As such, it was considered that an in-situ sale represented the best outcome in the circumstance. Indeed, if a sale upon an in situ basis could not be secured, Mr McArdle would recommend the abandonment of the assets included under this heading.

Residual Consumable Stock

The Company owned a large quantity of predominantly open part tins of various paints and solvents. Mr McArdle referred to his past experience in dealing with such assets, advising that they could be considered more of a liability than an asset in some scenarios, as the costs of safe disposal in compliance with current health & safety regulations, are not inconsiderable.

Mr McArdle provides both an in-situ and ex-situ value for the stock, which relate to the few unopened readily saleable tins of paint. Mr McArdle noted that the costs of orderly disposal of the residual Stock would far outweigh any amount the saleable items would achieve. As such, Mr McArdle considered that a sale and transfer of any liability of the asset in question that would arise as a result of a sale as a going concern, on an in-situ basis would again, provide the best outcome.

Goodwill

Mr McArdle advised that there are a number of recognised approaches to valuing the Goodwill of any business. The most appropriate in this case being the adjusted average maintainable earnings method, whereby an average of the Company's net profit, over the last three to four years, is calculated and an industry recognised multiplier of between one and three times average net profit, applied in order to calculate a starting point for the value of Goodwill.

Mr McArdle advised that the term "adjusted" is used as in most cases the acting valuer or accountant needs to make appropriate deductions to the reported net profit figures in respect of, amongst other things, payments made to the owners/directors, which may be deemed to be over and above the expected remuneration for the job they do. In this case however all directors dividends are below the net profit line within the financial statements, meaning no such adjustment is necessary.

In addition to the recognised approaches to valuing the Goodwill, especially in insolvency situations, Mr McArdle believes it is imperative to apply an element of common sense when calculating value. In this instance particularly, as if the Company's year on year decline in turnover and profit are a true indicator, the Company's future income prospects are poor in comparison to the first two years trading.

In spite of the above, Mr McArdle noted that the Goodwill of any business is only worth what a willing buyer is prepared to pay and a willing seller is prepared to accept. Mr McArdle believed that in the case of the Company, when any prospective third party purchaser came to review the Company's previous trading figures, a they would likely offer a minimal sum.

Based on the available financial records and bearing in mind the additional comments expressed by Mr Alan Phillips during his meeting and email exchanges DCC. Mr McArdle, estimated the in-situ market value of the Company's Goodwill as being in the region of £10,000.

Mr McArdle stressed however, that to stand any chance of achieving anything like the above estimate, any ingoing third party purchaser would need to be assured of the continuing cooperation of the directors, most notably Mr Alan Phillips, as he is fundamental to continuity, being in essence the Goodwill of the business due to the personal relationships he has built up with his customers over many years. If Mr Phillips was to decline any request for cooperation from a prospective third party purchaser, any prospect of realising anything for goodwill would likely be lost.

Mr McArdle also confirmed that should the Company cease to trade and enter CVL or WUC, any chance of selling the Goodwill would disappear, as in all likelihood the directors may by then be following their own agenda and be looking to establish a new business, operating in the same field and in all probability, working with the same loyal customers that have supported them in the past.

Intellectual Property

Mr McArdle considered that the Company's only intellectual property assets were the web domain www.universalhighways.co.uk and the landline telephone number

On review Mr McArdle did not anticipate there being any realisable value in the web domain and phone number on a stand-alone basis, and in this particular case, would suggest that in accordance with standard practice, such assets would be considered part of the Goodwill element of the business

Work In Progress

Mr McArdle reviewed the Company's operations and noted that due to the nature of how new work was secured, there are in effect no ongoing projects that could be termed work in progress

Mr McArdle advised that when one of the Company's regular customers require line painting services, they simply forward a sketch plan of their requirements via email. The Company would then provide a verbal or emailed quotation, usually based on a set price per foot, word or symbol, which if accepted by the client would then be carried out with an invoice being raised on completion

The only tasks that the Company were involved in at the time of the valuation were three jobs for Universal in Wales, Newcastle and Watford. The Welsh job had an initial invoice value of circa £4,400, with the other two being worth only hundreds rather than thousands of pounds

The directors advised that since quoting for the Welsh job, the client has moved the goalposts resulting in a circa £2,000 reduction in invoice value. The reduction in invoice value would apparently erode any built in profit element. On this basis Mr McArdle advised that would be little, if any, realisable value in the Company's current workload

Debtors

Mr McArdle has also reviewed the Company's debtor position, which as at the date of the Joint Administrators' appointment totalled £86,130 net of VAT

Mr McArdle noted that past experience has taught that collecting such debts post the appointment of a Liquidator in a CVL or WUC scenario is often fraught with problems, as debtors often see an opportunity to withhold payment, claiming poor service, incomplete schedule of works etc. If this happened, the Liquidator is often left with no option but to abandon the debt as non-recoverable, as it may not be worth incurring the legal costs associated with pursuing the debt

If however the Company was to be placed into Administration and a sale as a going concern sale achieved, the chances of maximising debt recovery would be increased. In addition, recovery could be boosted by the full cooperation of the incumbent management throughout the debt recovery process. With the full cooperation of Mr Phillips and the continued service afforded by the pre-packaged sales it is considered that the Company's main customer, may settle a large proportion of their debt

Mr McArdle suggested that a sale of the debtors ledger could be considered in a sale as a going concern scenario but could not anticipate whether the incumbent management would be willing to assist any third party purchaser in order to maximise realisations

Mr McArdle advised that should the existing directors express an interest in acquiring the ledger as part of a complete business and assets package via a pre-pack, due to the confidence previously expressed by Mr Alan Phillips, a monetary figure to acquire the ledger should be considered

However, Mr McArdle conceded that as Mr Phillips would clearly be in a privileged position if he were to purchase the ledger as part of a complete asset package, a figure that would be considered far in excess of what may eventually prove recoverable by an Administrator or their agent post appointment be paid

Having given the matter appropriate consideration, Mr McArdle advised that a reasonable starting figure for negotiations with such a connected party, would be circa £50,000. Such a

starting point would concentrate the mind of the incumbent management and test confidence with regards the recoverable nature of the outstanding debts

Prior to submitting a formal offer for the business, the prospects of purchasing the ledger were discussed between Mr McArdle and Mr Alan Phillips. In doing so it became apparent that any subsequent offer that may come from the incumbent management would not include an offer for the rights to the book debt ledger. Mr Phillips did however advise he would be willing to enter into an agreement to assist in the collection of the ledger by the Joint Administrators on the premise that Ultimate would recover their indebtedness in full and re-assign the balance of the ledger to the Joint Administrators.

Details of the assets sold and the nature of the transaction

Purchaser and related parties

The Company's business and assets were sold to UHL ("the Purchaser") on 14 November 2016. The Joint Administrators consider the sale to be to a connected party pursuant to sections 249 and 435 of the Act, as the Purchaser is controlled by one of the Company's directors and Shareholders, Mr Darren Phillips, together with an employee of the Company Mr Mark Smith.

The transaction was completed shortly after the appointment of the Joint Administrators on 14 November 2016. The transaction does not include any group company interests and the sale was conducted to an individual company.

Of the Company's directors and shareholders, it is understood that Mr Alan Phillips will be involved in the management of the Purchaser at some point in the future. However, it is not apparent if he will take any formal directorships or shares in the Purchaser in the future. Mr Darren Phillips has however already taken such title in the Purchaser.

The sale is a transaction from one sole company to another and personal guarantees have been given by Mr Darren Phillips and Mr Mark Smith as part of the transaction.

Details of Assets	Pre-packaged sale in Administration £	Asset type
Plant Machinery & Equipment	5,400.00	Floating Charge
Office Furniture & Equipment	228.00	Floating Charge
Residual Consumable Stock	372.00	Floating Charge
Goodwill	5,000.00	Fixed Charge
Totals	11,000.00	

Sale consideration

The business and assets were sold to the Purchaser for £11,000, all of which is to be paid by way of deferred consideration. The deferred consideration is to be paid by way of eleven monthly instalments of £1,000, with the first due on or before Friday 25 November 2016 and that the remaining payments due on the 10th day of each following month.

The apportionment of the consideration was not specified by the Purchaser and has therefore been provided by DCC as follows:

Details of Assets	Pre-packaged sale in Administration £
Plant Machinery & Equipment	5,400.00
Office Furniture & Equipment	228.00
Residual Consumable Stock	372.00
Goodwill	5,000.00
Totals	11,000.00

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To confirm, the Company's only secured creditor is Ultimate, who hold a fixed and floating charge debenture over the Company's assets. The sale is not part of a wider transaction, the Purchaser has agreed to the terms of the SPA, no anti-embarrassment clause has been incorporated into the SPA and no assets are subject to a buy back agreement.

Financial Information

Period	Year Ended 31 July 2015 £	Year Ended 31 July 2014 £	Year Ended 31 July 2013 £
<u>Profit & Loss Account</u>			
Turnover	105,712	168,419	209,934
Cost of sales	48,616	76,485	77,567
Gross profit	57,096	91,934	132,367
Administrative expenses	71,344	82,001	71,713
Operating (loss) / profit	(14,248)	9,933	60,654
Interest payable	2,287	3,464	8,266
Profit (Loss) on ordinary activities before taxation	(16,535)	6,469	52,388
Tax on (loss) / profit on ordinary activities	(3,259)	1,248	11,982
(Loss) / Profit for the financial year	(13,276)	5,221	40,406
Retained Profit brought forward	(319)	460	54
Profit/(Loss)	(13,595)	5,681	40,460
Dividends	0	(6,000)	(40,000)
Retained Profit / (Loss) carried forward	(13,595)	(319)	460
<u>Balance Sheet</u>			
Fixed assets			
Tangible	24,946	21,131	19,624
Current assets			
Stock	11,890	10,164	15,524
Debtors	139,512	107,152	71,908
Cash at Bank and in hand	89	2,382	9,844
Total current assets	151,491	119,698	96,466
Creditors Amounts falling due within one year	180,192	137,114	108,853
Net current liabilities / assets	(28,701)	(17,416)	(12,387)
Total assets less current liabilities	(3,755)	3,715	7,237
Creditors Amounts falling due after one year	(8,443)	(259)	(3,369)
Provisions for liabilities	(1,297)	(3,675)	(3,308)
Net Assets / (Liabilities)	(13,495)	(219)	560
Capital and reserves			
Called up share capital	100	100	100
Profit and loss account	(13,595)	(319)	460
Shareholders' funds	(13,495)	(219)	560
Directors' remuneration and other benefits	16,593	15,560	20,267

The accounts for the periods 31 July 2013, 31 July 2014 and 31 July 2015 were approved by the board on 30 April 2014, 25 July 2015 and 30 September 2016 respectively

5. Events subsequent to the appointment of the Joint Administrators

The Joint Administrators of the Company have performed their functions with the purpose of achieving one of the following hierarchical objectives,

- rescuing the Company as a going concern, or
- achieving a better result for the Company 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 first objective of rescuing the Company as a going concern was explored however due to the extent of the Company's insolvent status this was not possible

The Joint Administrators do not believe that the second objective can be achieved and are therefore pursuing the third objective

The sale of the Company's business and assets has ensured the preservation of trade to the Company's existing customers, thereby minimising the risk of those customers offering reasons for non-payment of the Company's outstanding book debt ledger and ensuring that Ultimate have a greater chance of success in collecting the book debts

The Joint Administrators anticipate that Ultimate will successfully recover their entire indebtedness, including termination charges as a result

Retention of Title ("ROT") / Suppliers

Whilst the Joint Administrators do not anticipate any ROT claims being made by the Company's suppliers, sufficient provision has been provided in the SPA to allow ULL to take physical possession of any ROT Assets and any Third Party Assets ("the Assets") in the Company's possession

ULL shall hold such assets as Bailee and shall allow the Joint Administrators and the prospective owners of the Assets to have access to the same at a reasonable time to enable them to inspect, remove or otherwise deal with the Assets

ULL shall promptly inform the Joint Administrators of any information received by it in respect of any ROT Claims. In addition, ULL shall fully indemnify the Joint Administrators from and against all claims which may be brought against the Company in respect of such claims

Therefore, any creditor who believes they might have a valid ROT claim to enforce should make initial contact with ULL

Sale of the business and assets

As advised in section four of the Proposals, a pre-packaged sale of the Company's business and assets was concluded on 18 November 2016 to ULL. In accordance with SIP 13, I would confirm that ULL is deemed to be a company connected by virtue of the common directorship and shareholding of Mr Darren Phillips

Date of transaction	Assets involved & nature of transaction	Consideration paid & date	Sold to	Relationship
18 November 2016	The Plant & Machinery, the Fixtures and fittings, the Stock and Goodwill of the Company	£11,000 on a deferred basis, with the initial payment of £1,000 made on 18 November 2016	Universal Louth Limited	Darren Phillips is a director and shareholder of both companies

Book debts

As advised, DCC were instructed to review the Company's book debt ledger on 27 October 2016 and were provided with a copy of the Company's aged debt report, as at 25 October 2016. It was understood that the position had not materially altered in the intervening period and according to the report provided, the Company's debtors totalled £80,773 net of VAT. However, on the Joint Administrators' appointment continued trade had increased the debtor ledger ("the Ledger") to £86,130.

As also noted, the Company's debts are subject to a fixed and floating charge in favour of Ultimate, the Company's factored invoice provider, who as at the date of the Joint Administrators appointment were owed £13,878.

It was noted that if the Company was to be placed into Administration, the chances of maximising debt recovery would be increased, providing that the full cooperation of the directors throughout the debt recovery process was maintained. The directors confirmed their confidence that all debts would prove fully recoverable outside of an insolvency process, but as invoices totalling only £28,625 were less than thirty days old, and £24,711 are older than 60 days, DCC did not share the same confidence.

DCC considered that with the full cooperation of Mr Phillips, the Company's main customer, (Universal) may settle a large proportion of their debt, however doubted whether debts older than 90 days, which totalled £15,824, would prove collectible.

As noted in section four of the report, discussions were held with ULL on the prospects of purchasing the rights to the Ledger, however their offer was made without the Ledger included. As a result, further discussions were held with Mr Alan Phillips with a view to securing and formalising his assistance in collecting the Ledger. Mr Phillips agreed to assist and an agreement was reached, whereby a commission of 20% of any realisation of the re-assigned Ledger would be paid to him in exchange for his assistance.

Despite securing Mr Philip's assistance, as a matter of prudence, the Joint Administrators have applied a provision of 50% to the ledger, giving a recoverable element in the sum of £43,065.

Other actions taken by the Joint Administrators and their staff are as follows:

- Compliance with our statutory duties to notify and advertise the appointment
- Notifying and liaising with Crown departments as necessary
- Arranging new Administration banking facilities
- Notifying and liaising with the Company's bank
- Notifying and liaising with the Finance Companies
- Notifying and liaising with the Company's professional advisors
- Collation of statutory and other information from the Company

Joint Administrators' agents and solicitors

Company	Role	Fee structure
David Currie & Co	Valuation Agents	Fixed fee and % of realisations, plus disbursements
Turner Parkinson LLP	Solicitors	Time costs, plus disbursements
Mr Alan Phillips	Debt collection	% of realisations

Investigations

The Joint Administrators' investigations into the Company's affairs are currently ongoing.

The Joint Administrators have a statutory obligation to file a report with the Insolvency Service regarding the conduct of the directors that held office in the three years prior to the Administration. The report must be submitted within three months of the appointment date and creditors should note that the contents of this report are confidential.

The Joint Administrators also have a duty to investigate antecedent transactions which include,

- Transactions at an undervalue, s238 of the Act
- Preferences, s239 of the Act
- Transaction defrauding creditors, s423 of the Act
- Transactions with connected parties

Any creditor who has any information which they think may be relevant should forward appropriate details to the Joint Administrators as soon as possible.

6. Statement of Affairs

In accordance with Paragraph 47 of Schedule B1 of the Act, the Joint Administrators requested a Statement of Affairs from the directors on 15 November 2016 however it has not been received. A schedule of the creditors together with an estimated Statement of Affairs prepared by the Joint Administrators based on information available from the Company records is attached at Appendix A.

Some creditors' amounts may differ from the actual amount owed however this does not affect creditors' ability to submit a claim for a different amount.

The accounts to 31 July 2015 reflect outstanding sums due from the directors of £83,855. The Joint Administrators will review the movement since the accounts in due course, in order to identify if any sums remain due to the Company.

7 Joint Administrators' Remuneration**Pre-Administration costs**

Pre-Administration costs are defined in rule 2.33(2A)(a) of the Rules as fees charged and expenses incurred by the Joint Administrators, or another person qualified to act as an insolvency practitioner, before the Company entered into Administration but with a view to doing so.

Pre-Administration costs incurred in the period prior to appointment are detailed below

Company	Amount £	Date Agreed
Wilson Field	£5,225 50	N/a
Turner Parkinson	£2,500 00	N/a
David Currie & Co	£2,500 00	N/a

Wilson Field's costs relate to, but are not limited to assessing the Company's financial position to establish the most appropriate insolvency route and carrying out all necessary steps to place the company into Administration and achieve a sale of the business. A breakdown of these are attached at Appendix C

DCC were instructed to carry out an inventory and valuation of the Company's assets and to provide advice on the best marketing and disposal strategy for the business. The offer was referred to Mr McArdle of DCC for consideration prior to acceptance

TP were instructed to deal with the formalities of placing the Company into Administration and to draft a sales and purchase agreement and debenture documentation

The Joint Administrators' choice of agents and solicitor was based on their perception of the experience and ability of the respective firms to perform their work and the complexity of the case

It was necessary to incur these costs prior to appointment to allow the Joint Administrators to plan the Administration strategy, preserving the value of the business for the benefit of creditors

To date all pre-administration costs remain unpaid

In accordance with Rule 2 67A of the Rules, the Joint Administrators are seeking approval for payment of all unpaid pre administration costs as an expense of the Administration from the secured creditor, Ultimate

These costs are not part of the Joint Administrators' Proposal subject to approval under paragraph 53 Schedule B1 of the Act

Post-Administration costs

In accordance with rule 2 106 as amended by the Rules, it is proposed that the basis upon which the Joint Administrators' remuneration should be fixed, is by time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration

As Joint Administrator, under the provisions of R2 106 of the Rules, I am required to provide creditors with details of the work I propose to undertake in the Administration and the expenses I consider will be, or are likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which my remuneration will be fixed

In addition to this, where an Administrator seeks to pass a resolution to agree the basis of their remuneration by reference to the time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided

In this case, I am seeking to agree that my remuneration be based on the time properly spent by me and my staff in dealing with the affairs of the Company. My fees estimate and details of the work I propose to undertake, can be found in Appendix D to this report. Please note that where appropriate, the fees estimate may be to a particular stage of the case only and if I

consider the estimate will be exceeded during the Administration, I am obliged to seek further approval for any increase in my remuneration

The Joint Administrators' time costs from appointment to date total £15,912 comprising of 54 hours at an average charge out rate of £295. A schedule of these is attached at Appendix C

I will be seeking the approval of the secured creditor Ultimate and will provide updates on the expenses I consider will be, or are likely to be, incurred during this case with my progress reports in due course

Enclosed at Appendix D is my firm's current charge out rates. In common with all professional firms, our charge out rates increase from time to time. Any change will be reported in the next statutory report to creditors

Please note that a guide to Administrators fees is available at the following website link, <https://www.r3.org.uk/what-we-do/publications/professional/fees>, however a hard copy is available on request

Actions taken by the Joint Administrators and their staff following their appointment include but are not limited to the following -

- Monitoring the collection of the Company's book debts
- Commencing their investigations into the Company's affairs and the conduct of its directors
- Liaising with the Company's secured and unsecured creditors
- Liaising with the Company's bankers and professional advisors
- Complying with their statutory duties to notify and advertise their appointment, including preparation of a detailed SIP 16 disclosure
- Various strategy meetings and strategic overviews

8. Dividend Prospects

Secured creditors

As noted, Ultimate hold a debenture incorporating fixed and floating charges granted on 1 July 2015, registered at Companies House on 10 July 2015

As at the date of the Joint Administrators' appointment, Ultimate were owed £13,877 by the Company in respect of the invoice factoring agreement between the two parties. The indebtedness is understood to remain outstanding, however the Joint Administrators anticipate that debtor ledger collections (over which the indebtedness is secured) will allow for Ultimate to recover the sum in full

Preferential creditors

Preferential claims consist of employee wage arrears and holiday pay, the majority of which are subrogated to the National Insurance Fund for monies paid from the Redundancy Payments Office ("RPO")

As the Company's staff were transferred to ULL under TUPE, the Joint Administrators do not anticipate any preferential claims will be made

Prescribed Part

Within the Act there are provisions for a fund, called the Prescribed Part, to be set aside for distribution to the unsecured creditors in accordance with section 176A of the Act. The fund is calculated on the net realisations of assets subject to a floating charge contained in a debenture created on or after 15 September 2003. The fund is calculated as being 50% of the first £10,000 of net property and 20% thereafter, subject to a maximum fund of £600,000.

Due to Ultimate's debenture being registered after 15 September 2003, the Joint Administrators are required to make a prescribed part of the Company's net property available to unsecured creditors, in accordance with section 176a of the Act. This is calculated as being 50% of the first £10,000 of net property and 20% thereafter, subject to a maximum fund of £600,000.

However, it is considered that Ultimate will recover their indebtedness under the terms of their fixed charge, meaning that no floating charge distributions will be made and as such, the prescribed part fund will not be applied.

Unsecured creditors

The Company's books and records show that unsecured creditors total £116,623. I can confirm that no claims have been received to date.

Taking into account anticipated realisations and the likely costs of the Administration, it is unlikely that a dividend will become available to unsecured creditors.

9. End of Administration

The exit options available to the Joint Administrators are as follows,

- CVL
- CWU
- Dissolution

In this instance, the most appropriate exit route is dissolution on the basis that it is not anticipated that realisations of the Company's assets will be sufficient to enable a distribution to unsecured creditors. It is therefore likely that the Company will be dissolved upon conclusion of the Administration.

However, in the unlikely event that realisations are sufficient to enable a distribution to unsecured creditors then the Joint Administrators will take steps to place the Company into CVL, in order to facilitate payment of such a dividend.

10. Joint Administrators proposals to achieve the purpose of the Administration

The Joint Administrators make the following proposals for achieving the purpose set out in Paragraph 3 of Schedule B1 to the Insolvency Act 1986:

- That 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.
- That the Joint Administrators do all things and generally exercise all of their powers as contained in Schedule 1 and Schedule B1 of the Act, otherwise provided by statute as they, in their sole and absolute discretion, consider desirable or expedient in achieving the statutory objective of the Administration.

- That the Joint Administrators be able to make distributions to preferential, secured and a Prescribed Part dividend to unsecured creditors by virtue of Section 176A (2)(a) of the Act
- The appointment of the Joint Administrators shall cease to have effect at the end of the period one year beginning with the date of appointment. However, pursuant to paragraph 76 of Schedule B1 of the Act, the Joint Administrators may seek extension to the Administration period if deemed necessary
- Upon completion of the proposals above and achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up, and upon the settlement of the Administration expenses and liabilities, the Joint Administrators propose that they file the requisite notice pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986 to ensure that the Company is placed into CVL so as to facilitate any distribution to the creditors of the Company. It is further proposed that Kelly Burton and Lisa Jane Hogg be appointed as Joint Liquidators of the company, acting jointly and severally. As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2.117A(2)(b) of the Rules, creditors may nominate a different person as the Proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved
- Or, if the Joint Administrators at any time conclude that the Company's property is insufficient to permit any or further distributions to its creditors, then the Joint Administrators will seek the dissolution of the Company pursuant to Paragraph 84(1) of Schedule B1 of the Act. Should the Company be dissolved in accordance with this Paragraph, the Joint Administrators will take steps to destroy all books and records in their possession within 12 months on the dissolution
- Or, that they may petition for the Company to be put into CWU

Pursuant to Rule 2.33(5) of the Rules, the Proposals 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 matter described at point 11 below, provided that no meeting has been so requisitioned

The Joint Administrators will be seeking the following specific resolutions from the secured creditor, Ultimate

- That the Joint Administrators' time costs and expenses incurred before the Company entered into Administration but with a view to it doing so be approved, to be paid as a cost of the Administration
- That the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the Administration
- That the Joint Administrators be authorised to draw Category 2 disbursements in accordance with their prevailing recovery policy at the time the disbursement is incurred. The current rates are attached at Appendix D
- That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 of the Act, immediately on their appointment ceasing to have effect

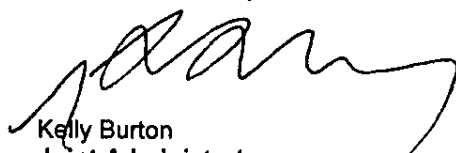
11 Creditors meeting

In accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, the Joint Administrators are not convening a meeting of creditors as the Company has insufficient property to enable a distribution to be made to unsecured creditors

However, the Joint Administrators 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 attached prescribed form 2.21B (attached at Appendix E), within 8 business days from the date of this report

Creditors are reminded that the costs of any meeting called shall be paid for by them and that a deposit will be required for such purpose. Such costs may be ordered to be paid as an expense of the Administration if the meeting so resolved

Dated this 24th Day of November 2016



Kelly Burton
Joint Administrator
Acting as agent of the Company without personal liability

Kelly Burton and Lisa Jane Hogg of Wilson Field Limited were appointed Joint Administrative Receivers to Universal Highways Limited on 9 November 2016. The affairs, business and property of the Company are being managed by the Joint Administrative Receivers without personal liability

UNIVERSAL HIGHWAYS LIMITED – IN ADMINISTRATION

APPENDIX A

**JOINT ADMINISTRATORS' ESTIMATED STATEMENT OF AFFAIRS & SCHEDULE OF
CREDITORS**

Universal Highways Limited
Estimated Statement Of Affairs as at 9 November 2016

	Book Value £	Estimated to Realise £	£
ASSETS			
Factored Book Debt Ledger	86,139 89	43,065 45	
Ultimate Invoice Finance Limited		(13,877 60)	
		29,187 85	29,187 85
Plant & Machinery	5,400 00		5,400 00
Furniture & Equipment	228 00		228 00
Stock	372 00		372 00
			35,187 85
LIABILITIES			
PREFERENTIAL CREDITORS -			NIL
			35,187 85
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			NIL
			35,187 85
Estimated prescribed part of net property where applicable (to carry forward)			NIL
			35,187 85
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003			
			NIL
			35,187 85
Estimated prescribed part of net property where applicable (brought down)			NIL
			35,187 85
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		33,407 18	
HM Revenue and Customs - VAT		40,683 29	
HM Revenue and Customs - PAYE		5,239 65	
HM Revenue and Customs - Corporation Tax		37,292 42	
			116,622 54
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F C's post 14 September 2003)			(81,434 69)
			(81,434 69)
Issued and called up capital			
Ordinary Shareholders		100 00	
			100 00
TOTAL SURPLUS/(DEFICIENCY)			(81,534 69)

Universal Highways Limited
(In Administration)
Joint Administrative Receivers' Summary of Receipts & Payments
To 18/11/2016

/4ADMSIP16

S of A £		£	£
	HIRE PURCHASE		
43,065 45	Factored Book Debt Ledger	NIL	
(13,877 60)	Ultimate Invoice Finance Limited	NIL	
			NIL
	ASSET REALISATIONS		
5,400 00	Plant & Machinery	NIL	
228 00	Furniture & Equipment	NIL	
372 00	Stock	NIL	
5,000 00	Goodwill	NIL	
			NIL
	UNSECURED CREDITORS		
(33,407 18)	Trade & Expense Creditors	NIL	
(40,683 29)	HM Revenue and Customs - VAT	NIL	
(5,239 65)	HM Revenue and Customs - PAYE	NIL	
(37,292 42)	HM Revenue and Customs - Corporati	NIL	
			NIL
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	
			NIL
(76,534 69)			NIL

REPRESENTED BY


 Kelly Burton
 Joint Administrative Receiver

UNIVERSAL HIGHWAYS LIMITED – IN ADMINISTRATION

APPENDIX C

**TIME ANALYSIS IN ACCORDANCE WITH SIP 9 - PRE APPOINTMENT AND POST
APPOINTMENT**

Time Entry - Detailed SIP9 Time & Cost Summary

/4ADMSIP16

UNIV01A - Universal Highways Limited
To 09/11/2016
Project Code PRE

Classification of Work Function	Directors & IP's	Manager & Senior Administrator	Administrators	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
ADAP Appointment	2.10	0.00	3.50	0.00	5.60	2,432.50	434.38
ADCR Case Reviews	0.00	0.00	1.40	0.00	1.40	378.00	270.00
ADDI Directors/Client	0.00	0.00	1.50	0.00	1.50	515.00	343.33
ADSC Statutory and Compliance	0.00	0.00	0.00	1.20	1.20	156.00	130.00
ADSO Strategic Overview	0.00	0.00	3.20	0.00	3.20	1,031.50	322.34
Admin and Planning	2.10	0.00	9.60	1.20	12.90	4,813.00	349.84
CRCO Communications with Creditors	0.00	0.00	1.50	0.00	1.50	592.50	395.00
Creditors	0.00	0.00	1.50	0.00	1.50	592.50	395.00
REPB Property Business and Asset Sales	0.00	0.00	0.50	0.00	0.50	120.00	240.00
Realisation of Assets	0.00	0.00	0.50	0.00	0.50	120.00	240.00
Total Hours	2.10	0.00	11.60	1.20	14.90	6,225.50	360.70

Time Entry - Detailed SIP9 Time & Cost Summary

/4ADMSIP16

UNIV01A - Universal Highways Limited
To 24/11/2016
Project Code POST

Classification of Work Function	Directors & IP's	Manager & Senior Administrator	Administrators	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
ADAP Appointment	2 10	0 00	0 00	0 00	2 10	1 050 00	500 00
ADCR Case Reviews	0 00	0 00	0 40	0 00	0 40	108 00	270 00
ADDM Directors/Client	2 10	0 00	8 50	0 00	10 60	3 477 50	328 07
ADGA File Maintenance	0 20	0 00	0 00	0 00	0 80	178 00	222 50
ADSC Statutory and Compliance	0 10	0 00	2 50	0 00	2 60	650 00	250 00
ADSO Strategic Overview	0 00	0 00	1 90	0 00	1 90	458 00	240 00
Admin and Planning	4 50	0 00	13 30	0 00	18 40	6 919 50	321 71
ORCO Communications with Creditors	2 10	0 00	7 80	0 30	10 20	2 961 00	290 29
Creditors	2 10	0 00	7 80	0 30	10 20	2 961 00	290 29
INDR CDDA Report	0 20	0 00	0 00	0 00	0 20	100 00	500 00
INRE Investigation and Review	0 00	0 00	4 00	0 00	4 00	960 00	240 00
Investigations	0 20	0 00	4 00	0 00	4 20	1 060 00	252 38
REDC Debt Collection	1 30	0 00	0 00	0 00	1 30	650 00	500 00
REPB Property Business and Asset Sales	2 10	0 00	17 80	0 00	19 90	5 322 00	267 44
Realisation of Assets	3 40	0 00	17 80	0 00	21 20	6 972 00	281 70
Total Hours	10 20	0 00	42 90	0 90	64 00	15 912 50	294 68

UNIVERSAL HIGHWAYS LIMITED – IN ADMINISTRATION
APPENDIX D
INFORMATION IN RELATION TO THE JOINT ADMINISTRATORS' FEES

INFORMATION IN RELATION TO ADMINISTRATORS' FEES INCLUDING FEES ESTIMATE

Fee Basis

The Joint Administrators are seeking to agree the basis of their remuneration in this case on a time cost basis. This appendix includes details of the work the Joint Administrators propose to undertake and the expenses the Joint Administrators consider will be, or are likely to be, incurred.

Where a time cost basis is being sought, this will include the Joint Administrators' fees estimate, which also provides details of the hourly rate or rates the Joint Administrators and their staff propose to charge for each part of that work and the time anticipated each part of that work will take.

In this case, I do not anticipate that it will be necessary to seek further approval to increase the level of the fees estimate.

Fees Information in accordance with The Insolvency (Amendment) Rules 2015 and Statement of Insolvency Practice 9

Fees Overview

Prior to an insolvency practitioner agreeing the basis of their remuneration as Administrator, details of the work proposed to be done and the expenses it is considered will be, or are likely to be, incurred in dealing with a company's affairs must be provided to creditors.

In addition, where the Administrator proposes to take all or any part of this remuneration based on the time they and their staff will spend dealing with the affairs of the insolvent company, a fees estimate must also be provided. This will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.

It should be noted that a fees estimate may be provided to a particular milestone or for a designated period in a case, where it is not possible to accurately estimate the work that will need to be done at the outset.

Creditors should be aware that the fees estimate is based on all of the information available now and may be subject to change due to unforeseen circumstances that may arise during the Administration. If it is considered that the fees estimate will be exceeded, the Administrator must provide an update and seek approval to increase the previously agreed fees estimate.

Work anticipated and the likely return to creditors

Some of the work undertaken by an insolvency practitioner is required by statute and may not necessarily provide a financial benefit to creditors. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former employees via the National Insurance Fund.

Where the work to be done is anticipated to produce a financial benefit to creditors, this will be stated and it may be necessary for the Administrator to instruct third parties to assist in this process because of a particular expertise that the third party may bring such as valuation, tax or legal advice.

Where it is practical to do so, an Administrator will provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration. Again due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of a company's assets at the outset of a case, this may not be possible. An Administrator is however, required by statute to provide periodic reports to creditors on the progress of a case which will include an update as to the likely return creditors may expect.

Proposed Fee Basis

In this case, it is being proposed that the basis of my remuneration as Joint Administrator will be based on the time spent by me and my staff in dealing with the Company's affairs

Attached to this document is my fees estimate, together with an explanation of the work I propose undertaking

Each part of the work to be undertaken will necessarily require different levels of expertise and therefore related cost. In order to aid understanding, for the purposes of my fees estimate, I have indicated the rates and grades of staff such as myself, the case manager, the case administrator and support staff when estimating the total hours to be spent on each part of the work

This fees estimate is produced on the basis of all the work I currently propose will be necessary in the Administration. If I consider the fees estimate will be exceeded I will notify creditors accordingly, provide a revised estimate and seek further approval for my increased fees

Outline of work to be done by the Administrator

Below are details of the work I propose undertaking in support of the above fees estimate for the Administration

Administration (including statutory compliance & reporting)

Under insolvency legislation the Administrator must comply with certain statutory compliance requirements which may not bring any direct financial benefit to the creditors of the Company

This work can include but is not limited to the following

- Complying with Insolvency code of ethics, Money Laundering and Bribery Act legislation, including periodic reviews
- Notifying creditors of the Administrator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
- Reporting to creditors regarding any pre-packaged sale of the business
- Preparing and issuing periodic progress reports to members and creditors
- Lodging periodic returns with the Registrar of Companies for the Administration
- Complying with statutory duties in respect of the Administrator's specific penalty bond
- Creation and update of case files on the firm's insolvency software
- Redirection of the Company's mail to the Administrator's office where necessary
- Establishing creditors' committee. Periodic meetings and reporting and associated filing formalities (if a committee is appointed)
- Securing the Company's books and records
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the Company's insolvency to HMRC
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the Administration
- Filing a statutory return to the Department for Business, Innovation and Skills under the CDDA
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter)
- Opening, maintaining and managing the Administration estate cashbook and bank account(s)
- Dealing with all post-appointment VAT and corporation tax compliance
- Liaison with secured creditors, obtaining charge documents and validating the security

- Dealing with former employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company
- Convening any meetings of creditors as requested or as deemed necessary
- Maintaining case files
- Dealing with the formalities with regards closing the case

Realisation of assets

The Administrator will seek to realise all of the Company's assets. The work undertaken can include but is not limited to the following

- Obtaining and maintaining relevant insurance cover for all assets as required
- Reviewing all debentures and charges, and liaising with secured creditors to seek any required releases and complete the sale of assets as appropriate
- Reviewing any finance agreements and liaising with any third parties in respect of their interest in any of the assets in respect of any finance agreements, liens, etc
- Liaising with the Bank and securing any credit balances
- Obtaining, reviewing and pursuing the debtor ledger and all associated records, where appropriate appointing and liaising with agents and solicitors necessary to assist with collections
- Liaising with any invoice finance provider
- Pursuing any identified antecedent transactions
- Pursuing any overdrawn director's loan account
- Dealing with any other identified assets as required

The Administrator will also seek to identify any other Company assets they have not been advised of which may result in the valuation and sale of further Company assets, including any necessary site visits to inspect and secure the assets and instructions to solicitors and agents as deemed necessary to assist with the valuation, marketing and sale of any assets

If further assets are identified, and these are of significant value, the Administrator will obtain relevant insurance cover for those assets

Creditors (claims and distributions)

As Administrator, I will deal with all secured, preferential and unsecured creditor correspondence and claims as received, including any claims of creditors under retention of title. If a dividend becomes available I will either deal with the review and adjudication of creditors' claims in the Administration or in the subsequent liquidation and with all formalities associated with the declaration and distribution of the dividend

If applicable I will appoint a solicitor to advise and deal with any materially disputed claim

I will undertake appropriate investigations into and obtain valuations of the Company's assets and will confirm the likely return to creditors in future progress reports

Investigations

As Administrator, I am required to conduct investigations into the conduct of the director(s) of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations)

This work may not necessarily lead to any financial benefit to creditors yet is work I am required to undertake by statute

If however, my initial investigations reveal that further recoveries may be available for the insolvent estate, then work will be undertaken to pursue these recoveries either in the Administration proceedings or in any subsequent Liquidation proceedings. The potential extent and cost of this work is unknown, but could be substantial if an antecedent transaction or similar action is identified and pursued through to a settlement being achieved. Such work could include instructions to and meetings with solicitors to progress a claim, lengthy and detailed correspondence with any defendant or other party involved, mediation or other resolution meetings with defendants to seek to agree a settlement for the benefit of creditors, the obtaining of any relevant insurance to cover the costs of legal proceedings, full legal proceedings which could consist of an application to court, numerous court hearings and other associated work. On the attached fee estimate the investigations costs are calculated from a sample of cases which reflect the extent of work which could be undertaken on cases where an antecedent transaction or similar action has been identified and pursued through to a settlement being achieved. All work undertaken to pursue these recoveries will be recorded within this time category.

Administrator's Expenses

As also noted, I am required to provide creditors with details of the expenses I consider will be, or are likely to be, incurred in the Administration. These may include expenses such as agent's costs for assisting in the disposal and realisation of the Company's physical assets or other routine expenses associated with an insolvency case such as statutory advertising costs or the office holder's specific penalty bond.

Below is a summary of the expenses I consider will be, or are likely to be, incurred in this case. I will provide a further update to creditors in my subsequent progress reports.

Expense	Estimated Cost £
Company search fees	50 00
Bond	160 00
Post-appointment advertisements	71.00
Postage Stationary, Photocopying etc	110 00
Documents upload charge	150 00
Insolvency Software fee	150 00
Storage of books and Records	160 00
Final Advert	71 00
Insurance	250 00
Travel expenses	85 00
Legal fees	1,500 00
Debt collection fees	£5,837.57 i.e. 20% of the ledger surplus
Land registry fees	50 00
Pre appointment time costs inc legal and agents	10,226 00
Total	18,870.57

Administrator's Fees Estimate

Attached is my fees estimate for the Administration. The work the Administrator anticipates undertaking in relation to this estimate has been outlined above. If I consider this estimate will be exceeded, I will advise creditors and seek approval for my revised fees estimate as appropriate.

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of an IP/Director, Assistant Manager, Senior Administrator and/or Administrator and Secretarial and/or Support staff. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

Professional advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Taylor Parkinson LLP (legal advice)	Hourly rate and disbursements
Marsh Limited (insurance)	Fixed fee
David Currie & Co (valuation and disposal advice)	Fixed fee and % of realisations
Mr Alan Phillips (Book debt collection)	% of realisations

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

Wilson Field's Charge-out rates and Category 2 disbursements policy

Attached to this document are details of my firm's current charge out rates and policy regarding the re-charge of Category 2 disbursements.

Category 2 disbursements require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Any Category 2 disbursements which this firm proposes to charge in this case are reflected in the table of expenses above. Approval to charge these will be sought from creditors when the basis of my remuneration as Administrator is fixed.

It should be noted that my firm's charge-out rates may increase periodically. If any such increases impact on the fees estimate for the Administrator, creditors will be notified accordingly.

WILSON FIELD LIMITED CHARGE OUT RATES AND DISBURSEMENT POLICY

In accordance with Statement of Insolvency Practice 9 ("SIP 9") covering fees and disbursements, we are required to disclose to you our policy for recovering non-specific disbursements, and the charge out rates for the various grades of staff who may be involved in this case

Remuneration

The office holder(s) will seek approval from creditors to draw remuneration on a time cost basis, in accordance with the rates detailed below

	Hourly charge out rate (£)	
Grade	01/02/2014 to 31/10/2014	01/11/2014 onwards
Director/Insolvency Practitioner	350-500	500
Manager	260-400	400
Assistant Manager	N/A	395
Team Leader	N/A	390
Senior Administrator	240	330
Administrator (1-5 years experience)	120-240	230-300
Secretarial & Support	100-130	130

All time is recorded in 6 minute units

Category 1 Disbursements

In accordance with SIP 9, these do not require the approval of creditors and are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include advertising, room hire, insurance, travel expenses etc

Category 2 Disbursements

In accordance with SIP 9, these require the prior approval of creditors. Category 2 disbursements are charged in accordance with the liquidator's prevailing recovery policy at the time the disbursement is incurred. The rates applicable from 1 November 2014 are detailed below

Disbursement	Charge	
Search fees	£10 per document	On appointment
Document Upload Centre charge	£150	On appointment
Room Hire where meeting held at Wilson Field office	£100	On appointment (where appropriate)
Mileage	45p per mile	On appointment (where appropriate)
Postage, stationery, photocopying etc	£10 per member and creditor per year	On appointment and annually
Insolvency software fee	£150 per year	On appointment and annually
Storage of books and records	£80 per box per year	Once records are logged and then annually

In common with all professional firms, our charge out and disbursements rates increase from time to time. We reserve the right to change the rates without prior notice to you. Any change will be reported in the next statutory report to creditors.

	20.23	10116.67	8.22	3112.06	69.64	20892.50	15.06	1957.80	113.15	36079.03	Average Cost per Hour
Admin and Planning (inc appointment/cashiering/case reviews/director client/file maintenance/out of office call/statutory and compliance/strategic overview)											318.86
Case Specific Matters (inc site visit/shareholders)	0.00	0.00	0.00	0.00	1.05	315.00	0.05	6.50	1.10	321.50	292.27
Creditors (inc calculation&distribution/creditors claims/communications with creditors/employees/Tax and VAT/Creditor service/prescribed part calc&dist)	6.87	3433.33	0.55	208.31	36.17	10850.00	1.20	156.00	44.78	14647.65	327.08
Investigations (inc CDDA report/antecedent transactions/investigation and review)	14.21	7105.00	10.29	3899.91	45.45	13635.60	13.09	1701.05	83.04	26341.56	317.23
Realisation of Assets (inc debt collection/identifying securing and insuring/property business and asset sales/ROT)	2.00	166.66	1.67	631.25	6.00	2274.00	3.07	398.67	12.73	1527.59	119.97
Trading (inc accounting for trading/ongoing employee issues/management of operations)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total No Hrs	43.31	20821.66	20.72	7851.54	158.31	47967.10	32.46	4220.02	254.81	80860.31	317.34

This information has been obtained from Wilson Field's time recording module. Six ADM cases of a similar size have been selected and an average calculated. The charge out rate information opposite has been obtained from the rate and disbursement policy. As the Administrator charge out rate varies dependent on experience, the highest amount has been taken into account to be prudent. There are four different grade of staff that make up the Manager column, therefore an average of the four rates (£379) has been taken in account to calculate the above figures.

*In order to be prudent the higher charge out rate has been applied

Creditors should note that the fee estimate above incorporates the likely time costs to be incurred in both the Administration and subsequent Creditors Voluntary Liquidation of the Company. The Joint Administrators confirm that they estimate their time costs for the Administration and the subsequent Creditors Voluntary Liquidation of the Company to total £89,786

****Given the bulk of the assets were sold shortly after the Company entered into Administration, there are minimal assets that remain to be realised, as such the Fee Estimate for that particular aspect has been written down.***

Grade	Hourly charge out rate (£) ¹⁶	SIP Column
Director/IP	500	Partner
Manager	400	Manager
Assistant Manager	395	Manager
Team Leader	390	Manager
Senior Administrator	330	Manager
Administrator	230-300	Other Senior Professional
Secretarial & Support	130	Assistants & Support Staff

UNIVERSAL HIGHWAYS LIMITED – IN ADMINISTRATION

APPENDIX E

FORM 2.21B CREDITORS REQUEST FOR A MEETING

Rule 2.37**Creditor's request for a meeting**

Name of Company

Universal Highways Limited

Company number

07323303

In the
High Court of Justice, Chancery Division,
Manchester District Registry
(full name of court)

Court case number
3043 of 2016

(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)

Universal Highways Limited

Yard 1 Downland Business Park
Manby
Louth

(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

Creditor Questionnaire
Investigation into the Affairs of
Universal Highways Limited – In Administration ("the Company")

Creditor's Name and Address	
Estimated value of your claim	£
If the estimated claim exceeds the credit limit, on what basis or terms was the additional credit allowed?	
Please provide details of any comfort, security or assurance given to you by the Company to allow the continuance of credit	
When did you first become aware of difficulties in getting payment from the Company and what was the evidence of this? (eg, extended credit, lump sum payments, dishonoured cheques)	

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/Cont

<p>Please provide details (including dates) of any Writs, summons, decrees or other legal action you took to recover your debt from the Company</p>	
<p>Please provide details of any cheques which were dishonoured, including dates and amounts</p>	
<p>Are there any particular matters you feel should be reviewed or are you aware of any potential recoveries for the estate which I should investigate as Administrator? If so, please provide brief details</p>	

/4ADMSIP16

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Date _____

Signature _____

Print name _____

Position _____

UNIVERSAL HIGHWAYS LIMITED - IN ADMINISTRATION

CREDITOR'S STATEMENT OF CLAIM

Name and address of creditor

Amount claimed in the Administration

(Including VAT)

£ _____

Signature of creditor

Name of creditor

Telephone

Registered number (for Companies)

Fax

E-mail

Date

_____/_____/_____

Please provide appropriate documentation in support of your claim

If you are registered for VAT the amount claimed should include VAT even if VAT bad debt relief has been claimed under the Value Added Tax Act 1994

Please return this form when you have completed it to Wilson Field Limited, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS

Creditors registered for VAT may be able to claim VAT bad debt relief in accordance with Section 36 Value Added Tax Act 1994. In broad terms relief is available when the debt is six months old and "written off" by the creditor entering it on his VAT refunds-for-bad-debts-account

Claims lodged in the Administration should be gross, including any VAT element. Amounts claimed should also be net of any discount and any adjustment made to set-off amounts owed by the creditor to the company in Administration. If/when dividends are paid, creditors who have claimed VAT bad debt relief must apportion the dividend between VAT and the net element of their claim and account to HM Revenue & Customs for the VAT element through their VAT return. Insolvency Practitioners have no role in administering VAT bad debt relief under the Value Added Tax Act 1994. Creditors who are uncertain how to claim should contact their VAT office or take professional advice.

Notice of conduct of business by correspondence

Name of Company

Universal Highways Limited

Company number

07323303

In the

High Court of Justice, Chancery Division, Manchester District
Registry

(full name of court)

Court case number

3043 of 2016

Notice is hereby given by Kelly Burton and Lisa Jane Hogg of Wilson Field Limited, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS to the creditors of Universal Highways Limited whose registered office is at Yard 1 Downland Business Park, Manby, Louth, LN11 8UX that pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, below are four resolutions for your consideration. Please indicate whether you are in favour or against each resolution.

This form must be received at Wilson Field Limited, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS by 12 00 hours on 8 December 2016 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.

Resolutions (* delete as appropriate)

- 1 Under Rule 2.67A of the Insolvency Rules and in the absence of a Creditors' Committee, the Joint Administrators' Pre-Administration costs (the time costs and expenses incurred before the Company entered into Administration but with a view to it doing so) as detailed in section 7 of the Administrator's proposals be approved and that the Joint Administrators be authorised to draw these from the administration estate.

***For / Against**

- 2 Under Rule 2.106 of the Insolvency Rules and in the absence of a Creditors' Committee, the remuneration of the Joint Administrators be fixed [insert either - by reference to time properly spent by them and their staff in attending to matters arising from the Administration OR as a percentage of the value of the company's assets OR as a set amount OR insert details of the combination of bases] in accordance with the fees estimate provided to creditors in the Joint Administrators' proposals. The Administrators be authorised to draw their remuneration on account of costs incurred as and when funds permit.

***For / Against**

- 3 That the Joint Administrators be authorised to draw Category 2 disbursements in accordance with their prevailing recovery policy at the time the disbursement was incurred.

***For / Against**

- 4 That the Joint Administrators will be discharged from all liability pursuant to Paragraph 98 of Schedule B1 of the Insolvency Act 1986, immediately upon their appointment ceasing to have effect.

***For / Against**

To be completed by the creditor when returning the form

Name of creditor _____

Signature of creditor _____

Date _____

/4PROXY

(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 Administrative Receiver

Dated 24 November 2016