

AM23

Notice of move from administration to dissolution



Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number 08335821

Company name in full SPV CH7 Limited (Formerly UK Fire Doors Limited)

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Court details

Court name Manchester High Courts of Justice

Court number 2018-29252018

3 Administrator's name

Full forename(s) Dean

Surname Watson

4 Administrator's address

Building name/number 340 Deansgate

Street Manchester

Post town M3 4LY

County/Region

Postcode

Country

AM23

Notice of move from administration to dissolution

5		Administrator's name ①																	
Full forename(s)	Gary N																		
Surname	Lee																		
		① Other administrator Use this section to tell us about another administrator.																	
6		Administrator's address ②																	
Building name/number	340 Deansgate																		
Street	Manchester																		
Post town	M3 4LY																		
County/Region																			
Postcode	<table><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																		
Country																			
7		Final progress report																	
		<input checked="" type="checkbox"/> I have attached a copy of the final progress report																	
8		Sign and date																	
Administrator's signature	<div>Signature</div> <div>X</div>		<div>X</div>																
Signature date	<table><tr><td>^d</td><td>^d</td><td>^m</td><td>^m</td><td>^y</td><td>^y</td><td>^y</td><td>^y</td></tr><tr><td>2</td><td>3</td><td>0</td><td>9</td><td>2</td><td>0</td><td>2</td><td>0</td></tr></table>			^d	^d	^m	^m	^y	^y	^y	^y	2	3	0	9	2	0	2	0
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2	3	0	9	2	0	2	0												

**Presenter information**

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

Contact name **Daniel Farkas**

Company name **Begbies Traynor (Central) LLP**

Address **340 Deansgate**

Manchester

Post town **M3 4LY**

County/Region

Postcode

Country

DX

Telephone **0161 837 1700**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

Dean Watson and Gary N Lee appointed joint administrators on 28 September 2018

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

SPV CH7 Limited (Formerly UK Fire Doors Limited)

(In Administration)

Final Progress Report of the joint administrators

Period: 28 March 2020 to 23 September 2020

Important Notice

This final progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	SPV CH7 Limited (Formerly UK Fire Doors Limited) (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 28 September 2018
"the administrators", "we", "our", "us"	Dean Watson and Gary N Lee both of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	<ul style="list-style-type: none">(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act.

2. STATUTORY INFORMATION

Name of Company	SPV CH7 Limited (Formerly UK Fire Doors Limited)
Trading name(s):	UK Fire Doors Limited
Date of Incorporation:	18 December 2012
Company registered number:	08335821
Company registered office:	340 Deansgate, Manchester, M3 4LY

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators:	Dean Watson and Gary N Lee, both Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
Date of appointment:	28 September 2018
Court:	Manchester High Courts of Justice
Court Case Number:	2018-2925
Person(s) making appointment / application:	Bibby Financial Services Limited
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration was extended with the consent of secured creditor for a period of 12 months until 27 September 2020.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 28 March 2020 to 25 September 2020.

RECEIPTS

Bank Charge Refund

The sum of £12.36 has been received during the period relating to a bank charge refund received from Lloyds Bank, that had been processed in error and was due back to the Company.

Bank Interest

It should be noted that bank interest in the sum of £127.95 was received during the period of the previous progress report however it was posted after that report had been completed. We have therefore provided this information for completeness.

Licence to occupy/Rent

During the period the sum of £14,776.58 has been returned to UK Performance Doorsets Limited in respect of licence fees which were overpaid. The licence to occupy balance on the receipts and payments account at appendix 3 has therefore reduced by this amount in the period.

Ofgem Refund

As advised in previous progress report we were made aware of a potential refund. We are pleased to report that during the period of this report we have received the sum of £15,000.

Sundry Receipts

During the period sundry receipts of £2,849.03 have been received.

PAYMENTS

Administrators Expenses

During the period of this report, expenses totalling £87.21 have been drawn. These expenses relate to an insurance bond of £81 and postage costs of £6.21.

Administrators' Fees

During the period of this report, Administrators' fees of £25,789.50 have been drawn. Further details are provided in section 6 of this report.

Pre-Appointment **Administrators' Fees**

During the period of this report, the Pre-Appointment Administrators' fees of £36,881 have been drawn. These fees were approved by the secured creditors.

Corporation Tax

Corporation Tax in the sum of £144.02 has been paid to HM Revenue & Customs in the period.

Storage Costs

The total sum of £18.44 has been paid in the period, relating to storage and destruction costs in respect of the Administrators' case files.

Legal Fees

The sum of £500 has been paid during the period of this report to Bexley Beaumont in respect of their assistance with the surrender of the Company's lease relating to the property situated at Part Bryn, Mawr, Industrial Estate.

Unclaimed dividend fee

It should be noted that any unclaimed dividends which have not been banked after the Administration has ended are paid to the Insolvency Practitioners Service ("IPS"). This is to enable creditors who wish to bank their dividend to liaise with the IPS regarding the same. In order to do this a fee of £25.75 is charged. A provision has therefore been made in this regard.

Unclaimed dividend

Unclaimed dividends in the sum of £77.79 represent dividends which have been issued but not banked by creditors. These dividends will be paid to the Insolvency Practitioners Service so that creditors can still have the ability to obtain the dividend should they wish to do so.

Trade creditors

A further distribution to the unsecured creditors of £2,197.77 has been made and represents a dividend from the funds retained in the prescribed part which is set aside for creditors. Further information on the prescribed part is detailed at section 5 of this report.

Davenham Trade Solutions Limited ("Davenham")

During the period the sum of £10,510.81 has been paid to Davenham the secured creditor. This represents a floating charge distribution. See section 5 of this report for further information.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 3. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Time estimated which has been charged to 'General Case Administration and Planning' include work of this nature, together with sundry tasks such as filing and photocopying.

Compliance with the Insolvency Act, Rules and best practice

Insolvency Practitioners are required to comply with the provisions of The Insolvency Act 1986 (as amended) and the Insolvency Rules 1986 (as amended), together with best practice guidelines laid down within the profession. This includes the undertaking of periodic reviews of case progression, ensuring that a specific bond is in place at the correct value to insure the sums realised and the issuing of periodic reports on the progress of the insolvency to creditors.

Time charged to this area in the period covered by this report includes the undertaking of these tasks, as well as the preparation and submission of the previous progress report, the preparation of the final progress report and also completion of estimated outcome statement.

Realisation of assets

The primary duty of an Insolvency Practitioner is to identify and to realise the value of an insolvent company's property for the benefit of creditors.

Work undertaken in this category relates to agreeing the split with UK Performance Doorsets Limited in respect of the Ofgem refund.

Dealing with all creditors' claims (including employees), correspondence and distributions

Insolvency Practitioners will need to deal with the claims of creditors during the course of their time in office, which will include the recording of those claims together with the provision of ad hoc updates to creditors and dealing with general queries from those creditors. When funds allow, the Insolvency Practitioner will make distributions to creditors in accordance with the specified order of priority governing secured claims, preferential claims and unsecured claims.

During the period of this report we have provided updates to the secured creditors and also liaised with unsecured creditors in relation to dividend payments not banked and re-issued the same to them.

Other matters which includes seeking decision of creditors via deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

In addition to the above categories, Insolvency Practitioners will also have to attend meetings when applicable (whether this be with directors, the respondents in any potential recovery action commenced in the course of the insolvency, solicitors, creditors or other interested party), tend to an insolvent company's pre and post insolvency tax affairs (including the submission of annual corporation tax returns and periodic VAT returns), enter into litigation in conjunction with appointed solicitors (usually applicable in instances where investigations have quantified a civil action that was unable to be settled directly between the Insolvency Practitioner and the respondent), deal with the winding up a company pension scheme (where applicable) and undertake travel when applicable (or instance to attend meetings incidental to the progression of the insolvency).

During the period time has been incurred in chasing HM Revenue and Customs in relation to outstanding VAT refund and dealing with the Company's tax affairs.

5. OUTCOME FOR CREDITORS

Secured creditor

Bibby Financial Services Limited ("Bibby")

Bibby hold a fixed and floating charge debenture which was registered at Companies House on 3 January 2013. Bibby also had an invoice finance agreement with the Company in which all invoices were assigned by the Company to Bibby.

The trade debtors formed part of the pre-packaged sale of the Company's business and assets and the proceeds repaid Bibby's indebtedness in full.

Amicus Asset Finance Group Limited ("Amicus")

Amicus hold a fixed and floating charge debenture which was registered at Companies House on 19 January 2018.

In addition, a chattel mortgage debenture was also registered at Companies House on 19 January 2018. It is our understanding that Amicus were owed £762,237.04 at the date of appointment.

As outlined within our SIP 16 Statement included in the statement of proposals, the security relates to charges over the Company's plant and machinery which formed part of the pre-packaged sale of the Company's business and assets.

It should be noted that the purchaser, UK Performance Doorsets Limited, has taken on the obligations of the finance agreements and the assets under the agreements.

Amicus are not owed any monies by the Company and the Administrators sold the Company's interest in the agreements.

Davenham Trade Solutions Limited ("Davenham")

Davenham hold a fixed and floating charge debenture which was registered at Companies House on 25 April 2018

Davenham provided finance to the Company and were owed c£30,995 at the date of appointment. Distributions of £30,510.81 have been made to Davenham. Davenham have not been repaid in full and have suffered a shortfall.

Preferential creditors

As stated in our previous progress reports, there are no preferential claims following the sale of the business and assets and the employees of the Company, transferred to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part is calculated have previously been provided in our statement of proposals and in previous progress reports.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in section 176A(6) of the Act, to be £29,3881.51 and the prescribed part of the Company's net property to be £8,355.41.

Part of the prescribed part in the sum of £6,157.64 was distributed to creditors in October 2019. The remaining prescribed part will be distributed to creditors shortly.

Unsecured creditors

Other than the prescribed part as detailed above there are insufficient realisations for a dividend to be paid to the unsecured creditors.

Exit from administration

Once the Notice of move from administration to dissolution (Form AM23) has been registered (which we anticipate shortly), our appointment as administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed to be dissolved at the end of the period of three months from the date of registration of the notice.

6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our proposals as deemed approved under Rule 3.38(4) of the Rules in the absence of an initial meeting of creditors.

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

The main areas of work undertaken by the Administrators and their staff during the Administration period are as follows:-

- At the initial stage of the Administration all statutory insolvency documents were filed at Companies House
- A notice of the Administrators appointment was advertised in the London Gazette
- Strategic case planning has been undertaken
- Initial notification to creditors advising them of the Administration
- Inputting details of the Company's creditors on to the IPS case management system
- Setting up of internal files and systems to manage the case
- Internal discussions and meetings have been held to discuss the strategy of the case
- General administration of the case which includes filing of documents, setting up files, copying and circulating creditors' letter, bank account and internal insurance bond
- Preparation of SIP 16 providing full details of the Company's history and full details of the pre-packaged sale
- Preparation of the Administrators report and proposals and calculation of fee estimates
- Preparation of progress reports
- Preparation of further fee estimate for secured creditor to approve
- Preparing estimated outcome statement and providing to secured creditor
- Completion of paperwork to pay landlords
- Liaising with solicitors and landlord in relation to surrender of lease
- Preparation of final progress report
- Liaising with UK Performance Doorsets Limited regarding the Ofgem refund and agreeing the split
- Agreeing creditor claims and making distributions to creditors from the pre-scribed part monies retained
- Making distributions to the secured creditor

8. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by the secured creditors in 2018, by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters as set out in the further fees estimate.

We are also authorised to draw disbursements, including disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our original fees estimate (£65,789.50) was increased by £15,277 by the approval of the secured creditor which was obtained by correspondence.

This makes the total amount of our approved estimate £80,789.50.

Our time costs for the period from 28 March 2020 to 23 September 2020 amount to £20,127.00 which represents 86.9 hours at an average rate of £231.61 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 3:

- ❑ Time Costs Analysis for the period 28 March 2020 to 23 September 2020
- ❑ Time Costs Analysis for the period 28 September 2018 to 23 September 2020
- ❑ Begbies Traynor (Central) LLP's charging policy

To 23 September 2020, we have drawn the total sum of £80,789.50 on account of our remuneration, against total time costs of £141,337.00 incurred since the date of our appointment.

In addition to the time costs information disclosed at Appendix 3 for the period since our last progress report, a cumulative Time Costs Analysis for the period from 28 September 2018 to 23 September 2020 is also attached at Appendix 3.

In the absence of there being sufficient realisations to discharge our time costs in full, our unbilled time costs of £60,547.50 have been written off as irrecoverable. However, we reserve the right to recover our unbilled time costs in the event that circumstances subsequently permit us to do so.

As can be seen from the information above, we have exceeded the limit of our increased fees estimate.

For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reasons why the increased estimate has been exceeded are as follows:

- The previously approved fees estimate was based on charge out rates that were applied by our firm at the time the estimate was produced. With effect from 1 December 2018, the charge out rates of all grades of staff were increased (see Appendix 2). Our costs have exceeded our previous estimate, partly as a consequence of this increase.
- We have undertaken additional work relating to the rent deposit monies in respect of the licence to occupy. We have been corresponding with the landlords of the three premises regarding the rent monies due by telephone and email. We have undertaken full reconciliation of the rent deposit monies received to ensure correct allocation and payment of the rent payable is made to the landlords. We have also provided regular updates to the landlords in this regard. In these circumstances, this has led to an increase in time costs from the original fee estimate.
- The original estimate which was provided in the Joint Administrators report and proposals for "General Case Administration and Planning" and "Compliance with the Insolvency Act, Rules and Best Practice" was underestimated.
- We were made aware of a potential refund due from Ofgem in relation to a biomass boiler previously used by the Company. This potential refund was not foreseen at the time of the Joint Administrators' appointment.
- During the period of Administration, the Joint Administrators and their staff have incurred significant time dealing with Ofgem, with the assistance of the purchaser of the Company's assets with a view to securing the refund. We have been liaising with the purchaser to agree the split of the refund as they assisted in obtaining the same.

In light of the above, we are obliged to provide the secured creditor with details of the additional work that has been undertaken along with details of the time and cost of that additional work and to seek approval of our increased estimate from them. However, we will not be seeking an increase to our fee estimate.

Disbursements

The disbursements drawn to 23 September 2020 are detailed at appendix 3 of this progress report.

Category 2 Disbursements

There have been no Category 2 disbursements incurred during the period of this progress report.

A copy of check which guide applies: 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

9. EXPENSES

A statement of the expenses incurred by us during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment.

Creditors will recall that we estimated that the expenses of the administration would total £13,400. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred by us during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

11. ASSETS THAT REMAIN TO BE REALISED

There are no assets of the Company that remain to be realised.

12. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors. We have complied with our duties in this respect.

Investigations completed and action taken

As explained in our progress report we have been investigating the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect. There have been no matters identified which have required further investigations.

Use of personal information

Please note that although the administration is being concluded, in discharging our remaining duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

13. CONCLUSION

Once the Notice of move from administration to dissolution (Form AM23) has been registered (which we anticipate shortly), our appointment as administrators will cease to have effect.

Dean Watson
Joint Administrator

Date: 23 September 2020

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 28 March 2020 to 23 September 2020

Statement of Affairs £	From 28/03/2020 To 23/09/2020 £	From 28/09/2018 To 22/09/2020 £
SECURED ASSETS		
10,003.00 Goodwill & Intellectual Property	Nil	10,003.00
	Nil	10,003.00
SECURED CREDITORS		
(25,000.00) Davenham Trade Solutions Limited	Nil	10,000.00
(750,000.00) Six Way Trading Limited	Nil	Nil
	Nil	10,000.00
HIRE PURCHASE		
Bibby Financial Services Limited	Nil	2,002,067.78
Trade Debtors	Nil	(2,002,067.78)
	Nil	Nil
ASSET REALISATIONS		
Bank Charge Refund	12.36	12.36
Bank Interest	Nil	758.91
Book Debts	Nil	831.28
Licence to Occupy/Rent	(14,776.58)	14,716.68
Ofgem Refund	15,000.00	15,000.00
140,000.00 Plant & Machinery	Nil	140,000.00
24,997.00 Stock/WIP	Nil	24,997.00
Sundry Receipt	2,849.03	2,849.03
	3,084.81	199,165.26
COST OF REALISATIONS		
Administrators' Expenses	87.21	204.71
Administrators' Fees	25,789.50	80,789.50
Pre Appointment fee	36,881.00	36,881.00
Agent disbursements	Nil	361.00
Agent fees	Nil	11,750.00
Corporation Tax	144.02	254.79
Legal Disbursements	Nil	259.22
Legal Fees	500.00	23,119.00
Pre-appointment advisory work	Nil	1,500.00
Rents Payable	Nil	14,716.68
Statutory Advertising	Nil	172.08
Storage costs	18.44	18.44
Unclaimed dividend fee	25.75	197.83
Unclaimed dividends	77.79	77.79
	63,523.71	170,302.04
FLOATING CHARGE CREDITORS		
Davenham	10,510.81	20,510.81
	10,510.81	20,510.81
UNSECURED CREDITORS		
(216,836.82) HMRC (PAYE)	Nil	Nil
(503,252.61) HMRC (VAT)	Nil	Nil
(127,105.00) Landlords	Nil	Nil
(1,332,716.00) Trade Creditors	2,197.77	8,355.41
	2,197.77	8,355.41
DISTRIBUTIONS		
(200.00) Ordinary Shareholders	Nil	Nil
	Nil	Nil
(2,780,110.43)	(62,636.67)	Nil

SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

Proposals as deemed approved under Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 (as amended).

Purpose of the Administration

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely 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).

It was not possible to rescue the Company as a going concern as there was no funding available to the Company in its present form, which also prevented the possibility of trading the Company in Administration.

For the following reasons, we consider that by concluding a sale of the business and assets this has resulted in a better result for the Company's creditors as a whole than would be likely if the Company had been wound up: -

- 130 jobs saved (no redundancy claims).
- Employee entitlements transferred to UK Performance Doorsets Limited (formerly West Red Limited).
- Enhanced realisations for the Company's tangible assets and trade debtors.
- Ongoing tenant for the Company's 3 trading premises, therefore, reducing the potential claims of the landlords.
- Ongoing utilisation of the leased assets, therefore, minimising any shortfall to leasehold creditors.

Accordingly, we consider that we have achieved the objective specified in sub-paragraph 3(1)(b). The only alternative to this course of action was to cease the business and face the prospect of achieving forced sale valuations for the assets and making all staff redundant.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to perform our statutory investigations into the Company's affairs and to distribute funds to secured creditors and unsecured creditors (via a prescribed part distribution).

Exit from Administration

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of the prescribed part). Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 28 March 2020 to 23 September 2020; and
- c. Cumulative Time Costs Analysis for the period from 28 September 2018 to 23 September 2020.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 disbursements (approval not required) - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 disbursements (approval required) - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

- Storage of books and records (when not chargeable as a Category 1 disbursement) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates
- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 disbursement:
- Telephone and facsimile
 - Printing and photocopying
 - Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally but vary to suit local market conditions. The rates applying to the Manchester office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Prior to 1 December 2018, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior Administrator	110
Support	60 - 110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SIP9 UK FIRE DOORS LIMITED - Administration - 10UK041.ADM : Time Costs Analysis From 28/03/2020 To 23/09/2020

Staff Grade		Consultant/Partner	Director	Sr Mgr	Mgr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning		2.3			6.8					9.1	2,723.38	299.29
	Administration					2.6		18.9	8.6		22.1	4,941.28	182.87
	Total for General Case Administration and Planning:		2.3			9.4		18.9	8.6		31.2	8,764.66	276.55
Compliance with the Insolvency Act, Rules and best practice	Appointment												0.00
	Banking and Bonding		1.8					1.0	2.2	2.3	7.3	1,826.08	220.00
	Case Closure					5.3					5.3	1,322.08	230.00
	Statutory reporting and statement of affairs	8.8	2.3			5.1		16.3			24.5	5,947.08	226.41
	Total for Compliance with the Insolvency Act, Rules and best practice:	8.8	4.1			10.4		17.3	2.2	2.3	37.1	8,475.80	228.52
Investigations	ODCA and investigations												0.00
	Total for investigations:												0.00
Realisation of assets	Cash collection												0.00
	Property, business and asset sales												0.00
	Realisation of Third party assets	1.8									1.8	391.00	495.00
	Total for Realisation of assets:	1.8									1.8	391.00	495.00
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others		1.2			2.8		3.4			7.4	1,822.08	247.16
	Creditors committee												0.00
	Total for Dealing with all creditors claims, (including employees), correspondence and distributions:		1.2			2.8		3.4			7.4	1,822.08	247.16
Other matters which include seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors					3.8					3.8	750.00	230.00
	Meetings												0.00
	Other												0.00
	Tax		1.0			0.6		4.2	8.6		6.4	1,414.08	220.94
	Litigation												0.00
	Total for Other matters:		1.8			3.8		4.2	8.6		9.4	2,164.80	230.21
	Total hours by staff grade:	2.6	8.6			28.2		45.8	3.4	2.3	88.3		
	Total time spent by staff grade:	1,387.80	3,827.00			6,440.00		7,865.00	476.00	822.00		20,127.80	
Average hourly rate £:	496.99	446.90	0.00	0.00	258.00	0.00	175.00	140.00	140.00			291.84	
Total fees drawn to date £:												88,798.60	

SIP9 UK FIRE DOORS LIMITED - Administration - 10UK041.ADM : Time Costs Analysis From 28/09/2018 To 23/09/2020

Staff Grade		Consultant/Partner	Director	Sr Mgr	Mgr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Total Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	12.6	5.5	3.0	4.7	25.7		14.1			65.6	19,763.50	301.58
	Administration	5.9			0.2	9.2		25.8	5.8	1.7	48.8	16,767.00	221.85
	Total for General Case Administration and Planning:	18.4	5.5	3.0	4.9	34.9		40.1	5.8	1.7	114.4	36,570.50	317.22
Compliance with the Insolvency Act, Rules and best practice	Appointment	4.0				16.1		0.3			20.4	4,993.00	241.81
	Banking and Bonding		4.3	2.9	0.5	0.5		5.8	2.8	14.2	31.0	6,699.50	216.11
	Case Closure					5.3					5.3	1,325.00	250.00
	Statutory reporting and statement of affairs	23.4	2.5	1.8	1.9	67.6		24.4	11.7	5.5	142.8	35,301.50	247.21
	Total for Compliance with the Insolvency Act, Rules and best practice:	27.4	6.8	4.7	2.4	89.5		30.5	14.5	25.7	199.5	48,268.50	241.90
Investigations	ODCA and Investigations	5.0		0.1	10.8			0.2			16.3	5,194.50	318.63
	Total for Investigations:	5.0		0.1	10.8			0.2			16.3	5,194.50	318.63
Realisation of assets	Debt collection	4.1			1.5	2.8					8.4	2,521.00	347.74
	Property, business and asset sales	10.5			7.4	1.4		1.5			20.8	7,763.00	373.23
	Retention of Title/Third party assets	18.4				0.4		0.5			19.3	9,745.50	453.13
	Total for Realisation of assets:	33.0			8.9	4.6		2.5			48.5	19,029.50	400.31
Tracing	Tracing												0.00
	Total for Tracing:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured	3.9	0.3								4.1	1,304.50	429.83
	Others	8.3	3.6	5.9	1.1	39.2		45.2	7.3	15.9	127.5	27,202.50	213.35
	Creditors committee												0.00
	Total for Dealing with all creditors claims, (including employees), correspondence and distributions:	12.1	3.9	5.9	1.1	39.2		45.2	7.3	15.9	131.6	28,607.00	221.55
Other matters which include seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors					3.8		0.8			3.8	907.20	232.89
	Meetings												0.00
	Other					4.7					4.7	972.00	206.51
	Tax		4.8	1.2		2.6		13.5	2.1		24.2	5,916.50	244.48
	Litigation												0.00
	Total for Other matters:		4.8	1.2		10.3		14.4	2.1		22.5	7,796.00	347.78
	Total hours by staff grade:	97.9	21.8	14.9	27.3	178.5		191.4	25.8	42.3	645.1		
	Total time cost by staff grade:	44,094.50	9,346.30	5,896.50	9,299.50	41,811.50		22,498.00	4,172.00	6,045.00		941,297.50	
	Average hourly rate £:	458.26	426.90	396.40	340.31	229.75	0.00	175.25	160.00	119.22			299.24
	Total fees claim to date £:											86,739.50	

STATEMENT OF EXPENSES FOR THE PERIOD

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Postage	Post Works	6.21	6.21	NIL
Storage	Restore	18.44	18.44	NIL
Corporation Tax	HM Revenue & Customs	144.02	144.02	Nil
Unclaimed Dividend fee	Insolvency Practitioners Service	25.75	25.75	Nil
Legal Fees	Bexley Beaumont	500	500	Nil

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Insurance Bond	AUA Insurance Risk Services	148.50
Statutory Advertising	Courts Advertising Limited	172.08
Court Fee	Manchester Crown Court	50
Legal Fees	Knights plc	7,500
Legal Disbursements	Knights plc	259.22
Postage	Post Works	6.21
Storage	Restore	18.44
Corporation Tax	HM Revenue & Customs	254.79
Unclaimed Dividend fee	Insolvency Practitioners Service	25.75
Legal fees	Bexley Beaumont	500