

# AM03

## Notice of administrator's proposals



Companies House

THURSDAY



A25 \*A7DFF35D\*  
30/08/2018 #143  
COMPANIES HOUSE

### 1 Company details

Company number 0 9 0 5 2 7 3 8

Company name in full MANUFEST LIMITED ✓

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

### 2 Administrator's name

Full forename(s) Richard

Surname Rones

### 3 Administrator's address

Building name/number 311 High Road

Street

Post town Loughton

County/Region Essex

Postcode I G 1 0 1 A H

Country UK

### 4 Administrator's name ①

Full forename(s)

Surname

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

### 5 Administrator's address ②

Building name/number

Street

Post town


County/Region

Postcode

Country

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

AM03  
Notice of Administrator's Proposals

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

## AM03 Notice of Administrator's Proposals



### Presenter information

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

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



### Important information

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



### Where to send

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

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

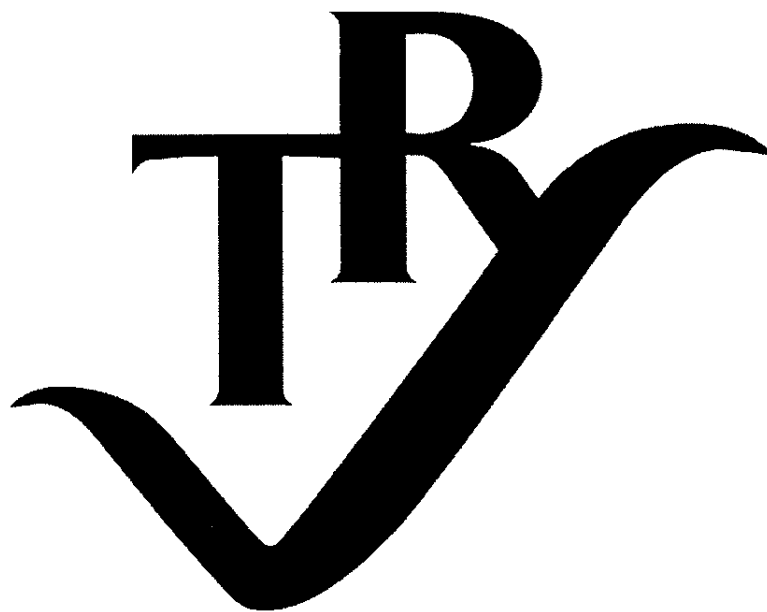


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This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**Manufest Limited t/a Studio 43  
In Administration (“the Company”)**



**Administrator’s Report and Statement of  
Proposals Pursuant to Paragraph 49 of  
Schedule B1**

**28 August 2018**

## **MANUFEST LIMITED T/AS STUDIO 43 - IN ADMINISTRATION**

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## MANUFEST LIMITED T/AS STUDIO 43 - IN ADMINISTRATION

### 1 Introduction and Background

- 1.1 Manufest Limited trading as "Studio 43" ("the Company") was incorporated on 22 May 2014 by Mr Thomas Bridle and Miss Hannah Warner ("the directors") and equal shareholders of the business.
- 1.2 The directors have known each other since schooldays and share a common interest in design and development of innovative marketing models and jewellery.
- 1.3 Miss Warner is a trained jewellery designer with a degree from Goldsmiths who has developed her own line of specialist jewellery.
- 1.4 Mr Bridle trained in interior design in London, and then studied furniture design in Florence, moving on to study joinery which is where he learned to use CNC - Computer Numerical Control - and milling machines to produce simple marketing models.
- 1.5 In 2014, the idea of 3D printing and computer programmed robot arms to produce marketing was gaining strength and, at this time, the two friends decided to go in to business to exploit this new opportunity. For Miss Warner, it was the opportunity to use the 3D printers for her new jewellery collections and for Mr Bridle, the chance to use his design skills to produce large scale marketing models.
- 1.6 Their partnership was based on Miss Warner providing the capital for the business, and Mr Bridle running the business on a day to day basis.
- 1.7 Initial working capital and funding provided by Miss Warner was given on the basis that these funds would be repaid as and when profits and cash flow allowed.
- 1.8 As detailed above, the Company was formed to exploit the new market for CNC for printing and production of models. CNC is the automation of machines by means of computers executing pre-programmed sequences of machine control commands (e.g 3D printers and Robot milling machines) This method is used to produce models ranging from fine jewellery to 10 metre models for theme parks
- 1.9 The Company operated from leased premises at Unit 1d Meon Hill Farm, Salisbury Road, Stockbridge, Hampshire, SO20 6HS. The Company had 3 full time members of staff (including the directors) however, it would utilise 5 self-employed casual staff as and when workflow required.
- 1.10 The Company is a multi-disciplinary creative design house and manufacturing workshop who, using state of the art 7-axis CNC robot, a range of in-house 3D printers, alongside a combination of 3D scanning, digital modelling & CAD, which can replicate almost any physical object, or create new 3D models and deliver them to any scale This enables the company to provide a vast range of key services including.
- Digital Design;
  - CNC Milling;
  - 3D Printing;
  - 3D scanning;
  - Or, combinations of the above.
- 1.11 Over the last four years the Company has worked with many clients ranging from individual designers and artists, to agencies and even some multi-national brands, and has created a wide array of items from sculpture enlargements, furniture, race car parts, and even theme park attractions

## MANUFEST LIMITED T/AS STUDIO 43 - IN ADMINISTRATION

- 1 12 In terms of day to day operation, Mr Bridle oversees the projects from planning to execution. Miss Warner is not involved in running the business, but is privy to all financial decisions. The Company utilises external accountants and an external bookkeeper who maintains the Company financial records to ensure that the directors are fully aware of the Company's financial position.
- 1 13 Historically, the Company's turnover has grown year on year, rising from £13,310 in the year ending 31 May 2015 to £174,692 in the year ending 31 May 2017. As with most start-up businesses, losses were expected during its fledgling years, however the losses were declining and therefore it was hoped that, with turnover rising, the Company would soon be able to gain profitability; however, in the meantime, the Company was supported financially by its directors who were confident in the business model and future prospects.
- 1 14 Unfortunately, in recent times, despite the directors' best efforts the Company's financial position has been adversely affected by several issues which, in combination, have led the Company to its current financial position. Full details of which are set out below:

### **Inability to undertake sufficient product marketing**

- 1.15 The Company offers a specialist service, and therefore its target clientele is very specific.
- 1 16 In order to reach its target market the Company needed to undertake bespoke marketing, however, this proved to be expensive and required significantly more investment than the directors had first envisaged.
- 1 17 Whilst the Company was able to generate a good level of interest in its products, its market reach was not sufficient to draw in the levels of work required to enable the funding of both growth and product development. Over time, the lack of growth compounded the cash flow issues experienced due to other issues within the business model.

### **Market Competition**

- 1 18 Over time, the Company soon found that its lack of growth prevented it from being able to compete with its market rivals.
- 1 19 Whilst the Company's area of trade is specialist, it is nonetheless a very competitive field, and whilst the Company was able to tender for many projects, it found it was ultimately unable to compete with its larger competitors who were better placed to offer their services at reduced rates. This led to the Company spending a lot of time quoting for projects which it was ultimately unsuccessful in obtaining.
- 1.20 Furthermore, in instances where projects were awarded to the Company, it struggled to generate sufficient revenue to cover production costs and achieve value for what are very creative design services.

### **Loss on Project**

- 1.21 In 2017, the Company obtained a large project to undertake what was believed to be a straightforward restaurant design and fit-out. The Company was originally only responsible for the interior design of the space and the internal furniture (tables, bar, seating etc.) a task which was easily done and proved to be very profitable.
- 1 22 The main building work was sub-contracted to a building firm and the initial impression given to all parties involved was that this project was just the start of a plan to develop a further 4 restaurants in the coming 4 years, therefore, if this job was completed well, it could potentially create a lucrative working relationship going forward.

## MANUFEST LIMITED T/AS STUDIO 43 - IN ADMINISTRATION

- 1 23 Unfortunately, whilst this project started off smoothly, things began to get out of control when the scope of works grew significantly. The work was really dictated by the building itself, however, as the instructing client did not seem to have done a survey prior to taking on the premises, two roofs collapsed during the works. This then added the additional work of refurbishing the kitchen, an upstairs flat, and a cellar - none of which were originally planned or budgeted for.
- 1 24 The building contractor quit after finishing their initial remit of works, as they did not want to get tied up doing any more, the project then struggled to find anyone to complete the works with the very minimal budget available.
- 1.25 In an effort to get the job done and assist the instructing client, Mr Bridle stepped in and did a lot of the works needed himself on the basis of an agreement that the client would, at the very least, cover the basic costs he was incurring. However, when all work was complete, the client reneged on this deal. This resulted in the Company losing not only the charges for work done by Mr Bridle, but also the Company suffered losses due to having its director tied up on a building site for weeks on end, instead of focussing time on obtaining additional work, but at the time there seemed no alternative as the Director believed that maintaining this working relationship was important to the Company's future
- 1.26 However, to add insult to injury, the client then also failed to pay the balance of the scheduled works due to the "over-run" meaning that the Company's total quantifiable losses on this job totalled £45,000, however, as stated above, the loss to the Company in terms of lost revenue whilst the director's attentions were diverted took this total loss far higher.
- 1 27 Sadly, the issues encountered as set out above, led the Company into a position whereby it was falling behind with payments to its creditors and pressure was mounting. By this stage the directors had injected significant sums of their own money into the business and were not in a position to lend any further sums. Therefore, with no recourse to additional funding, the directors recognised that the Company's trading position had sadly become untenable. Notwithstanding this, they still very much believed in the Company's services and so set about trying to locate a purchaser with a view to selling the business and assets for the benefit of the Company's creditors
- 1.28 To this end the Directors began to approach parties with whom they had previously worked to ascertain if any would be interested in acquiring the Company's business and assets.
- 1.29 The Company's approaches proved initially successful and three parties indicated some interest.
- 1.30 The first discussed the possibility of merging with the Company, using "Studio 43" as a new creative department. This party also had sufficient space on site within their trading premises for the Company to occupy. Talks were initially promising however, ultimately, they failed when one of the partners within the potential purchaser decided that it was not the right time to diversify. Therefore, this potential merger could not proceed
- 1.31 The second interested party was looking to buy the business, and initially he seemed very keen, however, the purchaser became concerned with the obligations surrounding TUPE and he retracted his interest before a formal offer was made
- 1 32 The third and final interested party was a like-minded local entrepreneur who, after completing his due diligence into the Company, understood its potential. The purchaser had sufficient funds to proceed and was willing to buy the business as a going concern. They therefore submitted a formal offer of £45,000 plus VAT and also agreed that as part of the deal they would extinguish the liability to the landlord of over £5,000 to enable the Company to stay in situ going forward



## MANUFEST LIMITED T/AS STUDIO 43 - IN ADMINISTRATION

- 1.33 At this stage, following advice from the Company's bookkeeper, the Directors instructed an agent – namely Kay Porter of Porter and Associates, who are a NAVA registered firm of Independent Agents and Valuers - to undertake a full review and valuation of the Company's business and assets as well as review any offers received to assess their viability.
- 1.34 The valuation carried out by the Agent indicated that a value of between £29,300 on a forced sale basis, and £52,000 on a willing buyer basis could be achieved. However, the Agent also noted that the cost to decommission, disassemble and remove the machinery from site would cost in excess of £7,500. Therefore, this would need to be taken into account when reviewing any offers.
- 1.35 The Agent proceeded to review the only remaining offer in hand – being Octangle Limited – and, after this review it, it became clear that this offer, whilst being marginally lower than the willing buyer valuation, presented the best outcome for the Company and its creditors as a whole.
- 1.36 In forming this decision the Agents considered the following facts:
- After instruction, the Agent had contacted their extensive database of engineering/fabrication contacts, providing details of the assets for sale, however, there had been no interest.
  - The Company's machinery is specialist, and therefore falls within a limited market. Having contacted several dealers, the general consensus was that they were no longer prepared to purchase this type of machinery – meaning that the avenues for disposal would be limited at best; and
  - Whilst the Company had been able to obtain an offer for a purchase on a going concern, the Agent did not believe that further marketing would generate any benefit as the Company had no real Work in Progress to speak of and, taking into account the liabilities due to the employees and the landlord, the Agent formed a view that it would be extremely unlikely that another purchaser could be located who would be willing to pay even the forced sale basis for the business.
- 1.37 The Agents therefore recommended that Octangle Limited's offer be accepted.
- 1.38 Given the Company's financial position, the Company's accountants advised the directors to consult with an Insolvency Practitioner as, once the sale had been complete, the Company's affairs would need to be formally wound up. Upon discussing the position with Richard Rones of ThorntonRones Limited - a Qualified Insolvency Practitioner – it became clear that in order to affect a going concern sale of the business it would be in the best interest of all concerned for the Company to enter into Administration and for a pre-pack sale of the business to be completed shortly after appointment.
- 1.39 Accordingly, ThorntonRones Limited were formally engaged in this regard and on 9 July 2018 Richard Rones of ThorntonRones Limited an insolvency practitioner licensed in the UK by The Institute of Chartered Accountants in England and Wales, was appointed Administrator of the Company by the Directors.
- 1.40 Following his appointment, the Administrator completed a sale of the business to Octangle Limited which concluded the following morning on 10th July 2018.
- 1.41 Information about the way that we will use, and store personal data on insolvency appointments can be found in the attached Privacy Notice at Appendix A.
- 1.42 The EU Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

## MANUFEST LIMITED T/AS STUDIO 43 - IN ADMINISTRATION

- 1 43 This report incorporates the Administrator's statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 3 August 2018.

### 2 Administration Strategy and Objective

- 2 1 The Administrator must perform his functions with the purpose of achieving one of the following objectives:

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

- 2 2 The first objective is not achievable as a result of the Company's liabilities and the Company's trade being insufficient to support any offer to its creditors under a voluntary arrangement. Therefore, the first objective could not be achieved. However, the Administrator believed that the second objective was possible for the following reasons

- 2 3 Upon ThorntonRones Limited's engagement, the Company had already instructed and received a valuation of its business and assets which was undertaken by professional and independent agents, Porter & Associates ("the Agents").

- 2.4 The Company had received interest from three parties prior to our instruction, however, only one had made an offer to purchase the business and assets on a going concern basis for £45,000 plus VAT and had also agreed that, as part of the deal, they would extinguish the liability to the landlord of over £5,000 to enable the Company to stay in situ going forward.

- 2.5 The Agents view was that, whilst this offer was marginally lower than the willing buyer valuation they had prepared, it presented the best outcome for the Company and its creditors as a whole as it would not only preserve employment, but reduce the debt to the landlord. The Agent also noted that the cost to decommission, disassemble and remove the machinery from site would cost in excess of £7,500. Therefore, this would need to be taken into account when reviewing the offer

- 2 6 Taking all of the above into account, the Agents recommended that the offer from Octangle Limited be accepted.

- 2 7 Accordingly, a sale of the business on a going concern basis via a pre-packaged sale in Administration appeared to present the best outcome for creditors as a whole, and allowed the second objective of 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) to be achieved

#### Pre-Packaged Sale

- 2 8 Following the completion of the pre-packaged sale of the Company's business and assets on 10 July 2018 to Octangle Limited, the Administrator sent a letter to creditors on 18 July 2018 to provide further information on the sale pursuant to the requirements of Statement of Insolvency Practice 16.

- 2.9 A copy of this statement is attached at Appendix I for your information

## **MANUFEST LIMITED T/AS STUDIO 43 - IN ADMINISTRATION**

- 2.10 It was not possible to issue these proposals at the same time as the notification of the pre-packaged sale to creditors because, at the time of its issue, I did not have in my possession the Directors Statement of Affairs or accurate details of the Company creditors, therefore, the financial information attached with the proposals would have been inaccurate and insufficient to provide creditors with a true picture of the likely outcome to the Administration.

### **Progress Since Appointment**

- 2.11 The Company was placed into Administration at the close of business on 9th July 2018. The next morning, 10th July 2018, a going concern sale of the business and assets (which included the transfer of all employees to the purchaser) was completed for £45,000 plus VAT
- 2.12 The sale proceeds for this transaction have been paid in full to the Agents - Porter & Associates - and have now been remitted to the Administration.

### **Administration (including statutory compliance and reporting)**

- 2.13 Following my appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work will, where appropriate, have included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency (such as assessing the validity of any 3<sup>rd</sup> party security in relation to the assets) and liaising with valuation agents about the most appropriate means of realising the value in the Company's business and assets.
- 2.14 I have also dealt with a number of statutory formalities which are required of me under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and also advertising my appointment in the London Gazette
- 2.15 As a pre-packaged sale of the Company's assets and business has taken place, I have prepared and issued the report on the transaction as required by Statement of Insolvency Practice 16 and I have also prepared and issued these proposals to creditors outlining how the purpose of the Administration may be achieved.
- 2.16 Other statutory duties performed are outlined in further detail in the fee estimate which can be found at Appendix G. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.

### **Trading**

- 2.17 On 10th July 2018, a going concern sale of the business and assets (which included the transfer of all employees to the purchaser) was completed as a result the Company did not trade within the post Administration period

### **Realisation of assets**

#### ***Pre Packaged Sale of Goodwill, Tangible Assets and Improvements to Property***

- 2.18 Prior to the Administrators appointment, the Company had appointed professional and independent agents and valuers, Porter & Associates ("the Agents"), to deal with the valuation and disposals of its assets.
- 2.19 As detailed above, a sale of the business and assets as a going concern had been agreed and was completed after the Administrators appointment on 10<sup>th</sup> July 2018 for £45,000 plus VAT. The sale proceeds have been paid in full

***Motor Vehicles***

- 2.20 The Directors Statement of Affairs indicted that the Company has a Motor Vehicle with a book value of £2,367. My Agents have made enquiries in this regard and have been advised that this relates to a vehicle which was sold prior to the Administration, with the proceeds of the sale being paid into the Company bank account.
- 2.21 My agents are reviewing this transaction to ascertain if this asset was disposed of at the correct market rate.
- 2.22 At present it is not anticipated that this asset will yield any value to the estate.

***Debtors***

- 2.23 Turning to the Company's other assets – which are made up of trade debtors totalling £17,367 and other sundry debtors of £3,759. In the directors' opinion, these have no realisable value as almost all the jobs listed were cancelled prior to their completion.
- 2.24 Since appointment, the Administrator has obtained a full list of these debtors, which consists of 6 trade debtors, and all but one debt (totalling £576) has been deemed uncollectable by the Directors.
- 2.25 The Sundry debtors are made up of advanced rental paid in regards to the Company's hire equipment.
- 2.26 No realisations are anticipated in this regard.

***Sale of Assets to Connected Parties***

- 2.27 As detailed in my initial SIP16 disclosure to creditors, the purchaser – Octangle Limited – is not a connected party.
- 2.28 However, in the interest of full disclosure, since the completion of the sale it has been brought to my attention that the purchaser may award shares to Mr Thomas Bridle, the former director of the Company, who is now in their employment. For the avoidance of doubt, this was not a term of the sale and the Administrator has not been party to any arrangement between the purchaser and the former director.

**3 Administrator's Receipts and Payments**

- 3.1 A summary of receipts and payments for the Administration period from the date of my appointment to 28 August 2018 is attached at Appendix C.

**4 Financial Position**

- 4.1 Attached at Appendix D is a summary of the Director's Estimated Statement of Affairs of the Company as at the date of the appointment of the Administrator. This was verified by a statement of truth by Mr Thomas Bridle, the director, on 14 August 2018 and is stated before the costs of the Administration procedure are considered.

**5 Proposals**

- 5.1 It is proposed that the Administrator will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:

## MANUFEST LIMITED T/AS STUDIO 43 - IN ADMINISTRATION

- 5.2 As survival of the existing Company is not achievable, the Administrator will pursue the second objective and if appropriate take any action he considers necessary to achieve a sale of the Company as a going concern
- 5.3 If, having realised the assets of the Company the Administrator thinks that a distribution will be made to the unsecured creditors other than by virtue of section 176A(2)(a) as noted above, he proposes filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Administrator to an end and will move the Company automatically into Creditors' Voluntary Liquidation (CVL) in order that the distribution can be made. In these circumstances, it is proposed that the Administrator in office at the date of conversion to CVL will become the Liquidator in the CVL.
- 5.4 Court approval is not required to enable the Administrator to make a distribution to the unsecured creditors of the Prescribed Part. If however, a distribution to unsecured creditors not limited to the Prescribed Part is anticipated, the Administrator may consider making an application to Court to seek permission to distribute this in the Administration. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration is concluded.
- 5.5 If the Administrator thinks that the Company has no property which might permit a distribution to its creditors, he will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- 5.6 See Section 6 below on Exit Routes for further information on the exit routes available from Administration.
- 5.7 The Administrator shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration
- 5.8 If the Administrator considers it necessary to extend the period of the Administration, he will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Administrator's term of office be extended for a specified period determined by it.
- 5.9 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrator's remuneration and disbursements and any proposed act on the part of the Administrator without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 5.10 The basis of the Administrator's remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by him:
- As a percentage of the value of the assets he has to deal with, or
  - By reference to time properly spent by the Administrator and his staff managing the Administration, or
  - As a set amount
- 5.11 In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Administrator be authorised to draw Category 2 disbursements as and when funds are available, in accordance with his firm's published tariff. Details of Category 2 disbursements charged by the firm can be found at Appendix F
- 5.12 Where no Creditors' Committee is appointed the remuneration and disbursements of the Administrator shall be fixed by a decision of creditors or where the Administrator thinks that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if

## MANUFEST LIMITED T/AS STUDIO 43 - IN ADMINISTRATION

necessary) the preferential creditors in accordance with insolvency legislation. The Administrator will also seek approval for any unpaid pre-administration costs detailed in this report and his discharge from liability in the same manner

5 13 In this case, the Administrator is seeking to approve the basis of his remuneration as follows

- By reference to the time properly spent by the Administrator and his staff in attending to matters arising in the Administration

Further details about the proposed fee basis can be found in Section 8 below and at Appendix G.

5 14 The Administrator will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect

### **6 Exit Routes**

6.1 All Administrations automatically comes to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrator's term of office be extended for a specified period of time.

6.2 At the time of drafting these Proposals I do not believe that an extension to the period of Administration will be necessary, however I will confirm the position to creditors in a subsequent progress report in due course.

6.3 Based on information currently available, the information on the exit route(s) we believe may be appropriate in this Administration

#### **Creditors Voluntary Liquidation**

6 4 Based on present information, the Administrator thinks a dividend will be paid to the unsecured creditors other than by virtue of the Prescribed Part. As a result, the Administrator will either make an application to Court to enable him to make a distribution to unsecured creditors in the Administration or he will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation (CVL) to facilitate this distribution. It is proposed that the Administrator in office at the date of conversion to CVL will become the Liquidator of the CVL.

6 5 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Administrator prior to these proposals being approved. Where this occurs, the Administrator will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Administrator will automatically become the Liquidator of the subsequent CVL.

#### **Dissolution of the Company**

6.6 If however, the Administrator thinks that the Company has insufficient property to permit a distribution to the unsecured creditors of the Company. A notice will be filed at Court and with the Registrar of Companies with the Administrator's final report, for the dissolution of the Company.

6 7 The Administrator's appointment will end following the registration of the notice by the Registrar of Companies

## 7 Pre-administration Costs

7.1 Pre-administration costs are defined as

- (i) Fees charged, and
- (ii) Expenses incurred

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

7.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable.

7.3 Pre-appointment fees charged and expenses incurred by the Administrator are as follows

Charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
ThorntonRones Limited	Negotiation of the sale to Newco Ltd/Appointment Formalities	£5,000	£0	Manufest Limited	£5,000
Porter & Associates	Valuation of plant & machinery	£6,500	£6,500	Manufest Limited	£0
Cartwright Cunningham Haselgrove & Co	Dealing with associated sale contract	£1,000	£0	N/A	£1,000

7.4 The payment of the unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors, separately to the approval of the Administrator's proposals. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively by a decision of the creditors where there is no Committee.

## 8 Administrator's Remuneration

8.1 As Administrator, 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.

8.2 In addition to this, where an Administrator seeks agreement to the basis of his remuneration by reference to time properly spent by him and his 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.

## MANUFEST LIMITED T/AS STUDIO 43 - IN ADMINISTRATION

- 8.3 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 in the Administration can be found at Appendix G and further information on the work done since my appointment to the date of this report can be found in section 2.
- 8.4 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 fees estimate provides details of these matters where relevant and appropriate approval to the basis of my remuneration will be sought as outlined in section 5 of this report.
- 8.5 For information, attached at Appendix D is a time matrix outlining the time spent by me and my staff since the date of my appointment as Administrator. This time is included within the overall fees estimate provided with this report.
- 8.6 In circumstances where my initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, I reserve the right to refer back to creditors to establish how I am to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, I will revert to creditors with my fees estimate for approval.
- 8.7 I 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.
- 8.8 An Administrator may include details of the remuneration he anticipates will be charged and the expenses he anticipates will be incurred if he becomes the Liquidator in the subsequent CVL. This can be done when seeking approval to the basis of his remuneration as Administrator, or alternatively his fees estimate for the CVL can be provided once the Company has moved into CVL. Please refer to Appendix G to this report for further information.
- 8.9 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from <https://www.icaew.com/technical/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides>. If you would prefer this to be sent to you in hard copy please contact Jennifer Munday of this office on 0208 418 9333.

## 9 Estimated Outcome

- 9.1 An estimate of the outcome of the Administration as at 14 August 2018 is attached as Appendix H. This indicates that a distribution to the unsecured creditors is likely.
- 9.2 Based on the directors' Estimated Statement of Affairs attached to this report the estimated value of the unsecured creditors is £413,061 and the estimated return is in the region of 4.71 pence in the £.
- 9.3 As there is no Qualifying Floating Charge registered against the Company the provisions relating to The Prescribed Part will not apply in this matter.

## 10 Proposals approval and next report

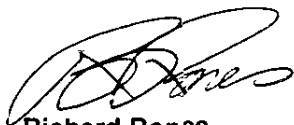
- 10.1 I am seeking a decision of creditors on the approval of my proposals by Virtual Meeting. The letter issued to creditors with this report (or the link to this report) contains further information about this decision process.



**MANUFEST LIMITED T/AS STUDIO 43 - IN ADMINISTRATION**

- 10.2 An Administrator is required to provide a progress report within one month of the end of the first six months of the Administration and I will report to you again at this time

For and on behalf of  
Manufest Limited T/As Studio 43

A handwritten signature in black ink, appearing to read 'R. Rones', written in a cursive style.

**Richard Rones**  
Administrator

Enc

## **Privacy Notice**

### **Use of personal information**

We process personal information to enable us to carry out our work as insolvency practitioners which includes processing data that was held by companies/individuals before our appointment together with data collected during an insolvency procedure or a fixed charge receivership. Our legal obligation to process personal data arises from work we are required to carry out under insolvency and other related legislation.

Insolvency practitioners are Data Controllers of personal data in so far as defined by data protection legislation. ThorntonRones Limited will act as Data Processor on their instructions about personal data in relation to an insolvency procedure or fixed charge receivership.

Personal data will be kept secure and processed only for matters relating to the insolvency procedure being dealt with.

### **The data we may process**

The personal data insolvency practitioners may process in most cases will be basic details that may identify an individual and will typically be sufficient to allow us to carry out our work as insolvency practitioners, for example, dealing with the claims of individuals who are owed monies by the companies/individuals over whom we have been appointed.

However, insolvency practitioners may be appointed over entities that process personal data that is considered more sensitive, for example health records and this sensitive data will usually have been created before our appointment. Although we will take appropriate steps to safeguard sensitive data (or to destroy it where it is appropriate to do so), subject to limited exceptions, for example, where we identify previous conduct and/or action that requires further investigation, we will not be processing sensitive data.

### **Sharing information**

We may share personal data with third parties where we are under a legal or regulatory duty to do so, or it is necessary for the purposes of undertaking our work as insolvency practitioners. We may also share personal data to lawfully assist the police or other law enforcement agencies with the prevention and detection of crime, where disclosure is necessary to protect the safety or security of any persons and/or otherwise as permitted by the law.

### **How long will we hold it?**

Personal data will be retained for as long as any legislative or regulatory requirement requires us to hold it. Typically, this may be up to 6 years after which it will be destroyed.

### **What are your rights?**

You have the right to receive the information contained in this document about how your personal data may be processed by us.

You also have the right to know that we may be processing your personal data and, in most circumstances, to have information about the personal data of yours that we hold, and you can ask for certain other details such as what purpose we may process your data for and how long we will hold it.

Individuals have the right to request that incorrect or incomplete data is corrected and in certain circumstances, you may request that we erase any personal data on you which may be held or processed as part of our work as insolvency practitioners. If you have any complaints about how we handle your personal data, please contact Richard Rones, ThorntonRones Limited, 311 High Road, Loughton, Essex IG10 1AH so we can resolve the issue, where possible. You also have the right to lodge a complaint about any use of your information with the Information Commissioners Office ("ICO"), the UK data protection regulator.

# MANUFEST LIMITED T/AS STUDIO 43 - IN ADMINISTRATION

## Appendix B

### Statutory Information

#### 1 Company information

Company name	Manufest Limited
Trading name(s)	Studio 43
Registered number	09052738
Registered office address	311 High Road, Loughton, Essex, IG10 1AH
Former registered office address	Bank Chambers, 1-3 Woodford Avenue, Ilford, IG2 6UF
Trading address(es)	Unit 1d, Meon Hill Farm, Salisbury Road, Hampshire, SO20 6HS
Court details	High Court
Court reference number	CR-2018-005701

#### 2 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Director(s)			
Hannah May Berni Warner	22/05/2014	-	50
Thomas Bridle	22/05/2014	-	50
Secretary			
None			

#### 3 Administrator's Details

Name of Administrator	Richard Rones
Address	ThorntonRones Limited , 311 High Road, Loughton, Essex, IG10 1AH
Telephone Number	0208 418 9333
Fax Number	0208 418 9444
Administrator's IP Number	8807
Authorising Body	The Institute of Chartered Accountants in England and Wales
Date of Appointment	9 <sup>th</sup> July 2018

## APPENDIX C

**MANUFEST LIMITED T/AS STUDIO 43**  
**(In Administration)**

**Receipts and Payments Account**  
**09 July 2018 to 23 August 2018**

<b>INCOME</b>	<b>Director's Statement of Affairs (£)</b>	<b>Total (£)</b>
Goodwill	0 00	1,000 00
Plant & Machinery	42,500 00	42,500 00
Office Equipment	1,000.00	1,000 00
Leasehold Improvements	500 00	500 00
Bank Interest	0 00	0 12
VAT Payable	<u>44,000 00</u>	<u>45,000.12</u>
 <b>EXPENDITURE</b>		
Court Fee		50 00
Specific Bond		240 00
Agents Fees		6500 00
Statutory Advertising		<u>79 00</u>
		<b>6,869.00</b>
 <b>Balance</b>		 <u><u><b>38,131.12</b></u></u>

## MANUFEST LIMITED

DIRECTOR'S ESTIMATED STATEMENT OF AFFAIRS  
AS AT 9 JULY 2018

	Book Value		Estimated to Realise	
	£	£	£	£
<b>ASSETS</b>				
<b>Assets Not Specifically Pledged:-</b>				
Goodwill		-		1,000
Plant & Machinery		88,115		42,500
Office Equipment		-		1,000
Leasehold Improvements		2,415		500
Motor Vehicles		2,367		-
Debtors		21,127		-
<b>Estimated total assets available for preferential creditors</b>		<u>114,024</u>		<u>45,000</u>
<b>LIABILITIES:-</b>				
<b>Preferential Claims</b>				
Employee Entitlement - Wages/Holiday Pay		-		-
<b>Available to Non Preferential Unsecured Creditors</b>		<u>114,024</u>		<u>45,000</u>
<b>Non-preferential Claims</b>				
Trade & Expense	32,544		32,544	
Associated Creditors	329,832		329,832	
H M Revenue & Customs	<u>50,685</u>		<u>50,685</u>	
		<u>(413,061)</u>		<u>(413,061)</u>
<b>Estimated surplus / (deficiency) as regards creditors</b>		<u>(299,037)</u>		<u>(368,061)</u>
<b>Issued and called up capital:-</b>				
100 Ordinary Shares of £1 Each		(100)		(100)
<b>Estimated total deficiency as regards members</b>		<u>(299,137)</u>		<u>(368,161)</u>

**Manufest Limited  
Creditors List**

<b>Name</b>	<b>Address</b>	<b>£</b>
<b>Trade &amp; Expense</b>		
1 AJ Robotics Limited	Unit 1 and 2, Fredrick William Street, Willenhall, West Midlands, WV 13 1NE	4,060 00
2 Blandford Fork Lift Ltd	Blandford Heights Industrial Estate, Blandford, Dorset, DT11 7TE	4,012 50
3 Bowden Joinery Limited	Suite One, Garden House, Emery Down, Lyndhurst, SO43 7DZ	2,184 00
4 DCT Hutchison		280 00
5 Electrifix	Trade House, Mead Avenue, Yeovil, BA22 8RT	39 32
6 Focus Group	Europa House, Southwick Square, Southwick, West Sussex, BN42 4JF	1,110 60
7 Iwoca Limited	26 Red Lion Square, London, WC1R 4AG	833 33
8 Jacobson Chemicals Limited	Unit 4, Newnham Lane Industrial Estate, Alton, Hampshire, GU34 2 QR	560 99
9 Kingsley Business Online	Bank Chambers, 1-3 Woodford Avenue, Gants Hill, Ilford, Essex, 1GF 6UF	560 00
10 Meon Hill Farms (Stockbridge) Ltd	Little Manor, Longstock, Stockbridge, Hants, SO20 6DU	10,800 00
11 NetworkRail	Network Rail, PO Box 4278, 4 Travis Street, Manchester, M60 3 BP	3,608 50
12 OK Enterprises Ltd	10 Cornes Close, Winchester, Hampshire, SO22 5DS	1,785 00
13 Peckham Waste Clearance	120 Andover Rd, Ludgershall, SP11 9NO	606 00
14 Sorvio Insurance Brokers Ltd	Verity House, 6 Canal Wharf, Leeds, LS11 5AS	2,103 82
		<u>32,544 06</u>
<b>Associated Creditors</b>		
15 Hannah Warner	28 London Fields East Side, London, E8 3SA	226,163 50
16 Thomas Bridle	3 Harnam Road, Harnham, Salisbury, SP2 8JG	103,668 70
		<u>329,832 20</u>
<b>Crown Departments</b>		
17 H M Revenue and Customs (Paye/NII)	Insolvency Claims Handling Unit (ICHU), Benton Park View, Longbenton, Newcastle, NE98 1ZZ	19,656 97
18 H M Revenue & Customs (VAT)		31,027 76
		<u>50,684 73</u>
<b>Total Creditors</b>		<u><u>413,060 99</u></u>

Time Entry - SIP9 Time & Cost Summary

M211 - Manifest Ltd T/A Studio 43  
Project Code POST  
From 09/07/2018 To 28/08/2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.60	1.00	3.55	4.35	9.50	1,598.75	168.39
Case Specific Matters	1.00	12.00	0.00	0.50	13.50	4,372.50	323.89
Creditors	0.10	0.00	0.50	0.50	1.10	160.00	145.45
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	1.50	0.00	0.00	0.00	1.50	637.50	425.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>3.20</b>	<b>13.00</b>	<b>4.05</b>	<b>5.35</b>	<b>25.60</b>	<b>6,769.75</b>	<b>264.44</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

Appendix E

## Appendix F - Additional Information in Relation to Administrator's Fees

### 1 Fee Basis

- 1.1 The Administrator is seeking to agree the basis of his remuneration in this case as by reference to the time properly spent by him and his staff in dealing with the affairs of the Company. Attached at Appendix X are details of the work the Administrator proposes to undertake and the expenses the Administrator considers will be, or are likely to be, incurred. This fee estimate covers the period of the Administration and the proposed subsequent Liquidation. Information about the work done to date can be found in the body of the Administrator's Report and Statement of Proposals at Section 2.
- 1.2 Where a time cost basis is being sought, the Administrator's fees estimate will be included in this information, which also provides details of the rates the Administrator and his staff propose to charge for each part of that work and the time he anticipates each part of that work will take.
- 1.3 The fees estimate is based on information about the Company's affairs available to the Administrator at the present time. Should any matters arise which impact on this estimate, such as additional investigatory matters or potential realisable assets, further time or cost will be incurred and it may be necessary to revise the Administrator's estimate of fees.
- 1.4 In this case, I do not anticipate that it will be necessary to seek further approval to increase the level of the fees estimate if the time incurred is in excess of the fees estimate enclosed with this report.

### 2 Expenses

- 2.1 Below is a table which outlines the expenses that I consider at this stage will be, or are likely to be, incurred in dealing with the Company's affairs. I will provide an update to creditors in my future progress reports.

Expense	Provider	Basis of fee arrangement	£
Agent's costs in dealing with property/chattel asset sales	Porter & Associates	Fixed Valuation Fee £2,500 and 10% of realisations	£6,500
Solicitor's costs in dealing with sale of property/ antecedent transactions/surrender of leases	Cartwright Cunningham Haselgrove & Co	Time costs	£3,500
<b>Category 1 Disbursements</b>			
Statutory Advertising	EPE Reynell	Fixed Cost per advert (Estimate)	£500
Administrator's Bond	Marsh Limited	Scale Rate	£240
Document Storage	Total Data Management	Fixed Rate per Box (estimate)	£150
<b>Category 2 Disbursements</b>			
Photocopying	ThorntonRones Limited	£0.10 per sheet	50
Fax		£1.00 per sheet	5
Scanned Document (3rd Party use)		£0.20 per sheet	25
Milage		HMRC Approved Rate	10
Correspondence - Per debtor		£2.00 per Debtor	12
Reports/Letters - Per Creditor Charge		£4.25 per creditor	76 5



**3 Staff Allocation and the Use of Sub-Contractors**

- 3.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 3.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Where the basis of the Administrator's remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below.
- 3.3 We are not proposing to utilise the services of any sub-contractors in this case.

**4 Administrator's Disbursements**

- 4.1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. Any Category 1 disbursements we anticipate being incurred in this case are included in the table of expenses above.
- 4.2 Category 2 disbursements do 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.
- 4.3 The Category 2 disbursements currently charged by this firm are shown on the attached schedule of ThorntonRones Limited's charge out rates effective from 1 April 2017.
- 4.4 Separate approval will be sought for the authorisation of this firm's Category 2 disbursements from creditors.

**5 Charge-out Rates**

- 5.1 A schedule of ThorntonRones Limited charge-out rates for this assignment effective from 1 April 2017 is attached. Please note this firm records its time in minimum units of 6 minutes.

## Manufest Limited T/A Studio 43 (the Company)

### 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 his 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 he and his 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 will 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 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 cashier 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 and 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)***

Administrators are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the Company's creditors. Whilst these tasks are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be undertaken.

This work includes:

- 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 the Administrator's statement of proposals for achieving the purpose of the Administration and thereafter providing periodic progress reports to members and creditors (typically every 6 months)
- 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 and holding periodic meetings of the creditors' committee 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
- 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

#### ***Realisation of assets***

As outlined in the Administrator's proposals, since appointment the Administrator and his staff have pursued the realisation of the Company's assets via a pre-packaged sale of the Company's business and assets to a non-connected party

#### ***Pre Packaged Sale of Goodwill and Tangible Assets***

As detailed in my Proposals, a sale of the Company business and assets as a going concern was completed shortly after the Administrators appointment for £45,000 plus VAT

The sale proceeds due upon completion – was £5,000 plus VAT – with the balance due and payable by 29 July 2018. These proceeds were paid in full by the required due date and any time spent in realising this asset has been apportioned to the time matrix shown at Appendix E.

## **Motor Vehicles**

As detailed in the proposals, the Directors Statement of Affairs indicated that the Company has a Motor Vehicle with a book value of £2,367.

I have been advised that this asset was sold prior to the Administration, with the proceeds of the sale being paid into the Company bank account. However, I will be liaising with my Agent and the Company's directors to verify the facts surrounding this disposal in order to determine if the sale was completed at the correct market rate. Time in this regard has been allocated to "case specific matters" on the time matrix attached to this fee estimate.

## **Debtors**

The Company has trade debtors totalling £17,367 and other sundry debtors of £3,759.

The Directors do not believe that these assets have any releasable value, however, the Administrator will be reviewing the Company's records, including any order forms, contracts and interim accounts, to ascertain if this position is correct. Time in this regard has been allocated to "case specific matters" on the time matrix attached to this fee estimate.

*Work done by the Administrator, his staff and any third parties engaged to assist the Administrator in realising the Company's assets will, it is anticipated, provide a financial benefit to creditors. This may involve realising assets to facilitate a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3<sup>rd</sup> party security, result in a distribution to the preferential and/or unsecured creditors of the Company. Further information on the likely outcome of the Administration process will be provided in the Administrator's subsequent progress reports*

## **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. Based on the directors' estimated statement of affairs, I currently think that after taking into consideration the costs of realising the assets and dealing with the statutory formalities of the Administration process and the related costs and expenses, a distribution may be available to unsecured creditors. I will either deal with the review and adjudication of creditors' claims in the Administration or if appointed liquidator, in the subsequent liquidation, if and when it is determined that a dividend is to be declared to creditors.

It should be noted that the above is based on the director(s) estimated statement of affairs and the projected realisable value of the Company's assets which at this stage is unconfirmed, together with the anticipated costs of the Administration. I will confirm the likely return to creditors in my 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. I have included the time I consider will be needed to comply with the above legislation within **Administration** above

If however, my initial investigations reveal that further recoveries may be available for the insolvent estate, all work undertaken to pursue these recoveries will be estimated within this time category

At this stage, I do not foresee any substantial investigation work will be required but if following the conclusion of my initial investigations I consider that further investigation work is then required to

pursue assets of the Company, I will provide creditors with an update on my **fees estimate** in due course.

### ***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.

<b>Expense</b>	<b>Provider</b>	<b>Basis of fee arrangement</b>	<b>£</b>
Agent's costs in dealing with property/chattel asset sales	Porter & Associates	Fixed Valuation Fee £2,500 and 10% of realisations	£6,500
Solicitor's costs in dealing with sale of property/ antecedent transactions/surrender of leases	Cartwright Cunningham Haselgrove & Co	Time costs	£3,500
<b>Category 1 Disbursements</b>			
Statutory Advertising	EPE Reynell	Fixed Cost per advert (Estimate)	£500
Administrator's Bond	Marsh Limited	Scale Rate	£240
Document Storage	Total Data Management	Fixed Rate per Box (estimate)	£150
<b>Category 2 Disbursements</b>			
Photocopying	ThorntonRones Limited	£0 10 per sheet	50
Fax	ThorntonRones Limited	£1 00 per sheet	5
Scanned Document (3rd Party use)	ThorntonRones Limited	£0 20 per sheet	25
Milage	ThorntonRones Limited	HMRC Approved Rate	10
Correspondence - Per debtor	ThorntonRones Limited	£2 00 per Debtor	12
Reports/Letters - Per Creditor Charge	ThorntonRones Limited	£4.25 per creditor	76 5

### ***ThorntonRones Limited'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.

***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.

**Manufest Limited ("the Company")**  
**Combined Administration/Liquidation Fee Estimate**

	Notes	Partner	Manager	Senior Administrator	Administrator	Assistants & Support Staff	Cashiering	Total Hours	Time Cost Estimate (£)	Average Hourly Rate (£)
Admin & Planning		2.00	10.00	3.00	3.00	5.00	2.00	25.00	5,890.00	235.60
Case Specific Matters		0.00	5.00	2.00	2.00	1.00	0.00	10.00	2,430.00	243.00
Creditors	1	1.00	5.00	5.00	3.00	2.00	2.00	18.00	3,985.00	221.39
Investigations		0.50	5.00	0.00	0.00	0.00	0.00	5.50	1,837.50	334.09
Realisation of Assets		1.00	1.00	0.00	0.00	0.00	0.50	2.50	812.50	0.00
Trading		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
<b>Total Estimated Hours</b>		<b>4.50</b>	<b>26.00</b>	<b>10.00</b>	<b>8.00</b>	<b>8.00</b>	<b>4.50</b>	<b>61.00</b>	<b>14,955.00</b>	<b>245.16</b>
<b>Hourly rate</b>		<b>425</b>	<b>325</b>	<b>215</b>	<b>140</b>	<b>95</b>	<b>125</b>			

1 The Company has approximately 18 creditors. The above estimate has been reached by applying an average of 1 hour of time to each creditor, which will include the cost to adjudicate on and pay distributions on the creditors claims

**MANUFEST LIMITED**  
Estimated Outcome Statement

	Estimated to Realise £	Realised to Date £	Estimated Future Realisations £	Total £
<b>Assets</b>				
<b>Assets Not Specifically Pledged:-</b>				
Goodwill	1,000	1,000	-	1,000
Plant & Machinery	42,500	42,500	-	42,500
Office Equipment	1,000	1,000	-	1,000
Leasehold Improvements	500	500	-	500
Motor Vehicles	0	-	-	-
Debtors	0	-	-	-
Bank Interest Gross		0.12	-	0
<b>Estimated total assets available for preferential creditors</b>	<b>45,000</b>	<b>45,000</b>	<b>-</b>	<b>45,000</b>
<b>Preferential Claims</b>				
Employee Entitlement - Wages/Holiday Pay	-	-	-	-
<b>Less Estimated Costs:</b>				
Administrators Fixed Fee (Pre Appointment)	5,000	-	5,000	5,000
Office Holders Time Costs (Estimated)	14,955	-	14,955	14,955
Agents Fees	6,500	6,500	-	6,500
Legal Fees	3,500	-	3,500	3,500
Office Holders Expenses	700	369	211	580
	(25,655)	(6,869)	(18,666)	(25,535)
<b>Surplus available to Unsecured Creditors</b>	<b>19,345</b>	<b>38,131</b>	<b>(18,666)</b>	<b>19,465</b>
<b>Non-preferential Claims</b>				
Trade & Expense Creditors	32,544		32,544	32,544
Associated Creditors	329,832		329,832	329,832
H M Revenue & Customs	50,685		50,685	50,685
	(413,061)		(413,061)	(413,061)
<b>Shortfall to Unsecured Creditors</b>	<b>(393,716)</b>		<b>(431,727)</b>	<b>(393,596)</b>
<b>Estimated Return to Unsecured Creditors</b>				
Pence in £				4.71



## **Appendix I - Manufest Limited - In Administration (the Company)**

### **1. Overview**

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.

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 for him to perform his 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.

In this case, the Administrator has pursued the second objective of 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. The Administrator considers that the pre-packaged sale enables both the statutory purpose of Administration to be achieved and presents the best available outcome for creditors as a whole in all the circumstances.

Set out below is further information containing a summary of the circumstances relevant to the pre-packaged sale of all or part of the Company's business and assets to Octangle Limited in accordance with the provisions of Statement of Insolvency Practice 16 (**SIP16**).

### **2. Background**

Manufest Limited trading as "Studio 43" ("the Company") was incorporated on 22 May 2014 by Mr Thomas Bridle and Miss Hannah Warner ("the directors") and equal shareholders of the business.

The directors have known each other since schooldays and share a common interest in design and development of innovative marketing models and jewellery.

Miss Warner is a trained jewellery designer with a degree from Goldsmiths who has developed her own line of specialist jewellery.

Mr Bridle trained in interior design in London, and then studied furniture design in Florence, moving on to study joinery which is where he learned to use CNC - Computer Numerical Control - and milling machines to produce simple marketing models.

In 2014, the idea of 3D printing and computer programmed robot arms to produce marketing was gaining strength and, at this time, the two friends decided to go in to business to exploit this new opportunity. For Miss Warner, it was the opportunity to use the 3D printers for her new jewellery collections and for Mr Bridle, the chance to use his design skills to produce large scale marketing models.

Their partnership was based on Miss Warner providing the capital for the business, and Mr Bridle running the business on a day to day basis.

Initial working capital and funding provided by Miss Warner was given on the basis that these funds would be repaid as and when profits and cash flow allowed

As detailed above, the Company was formed to exploit the new market for CNC for printing and production of models. CNC is the automation of machines by means of computers executing pre-programmed sequences of machine control commands (e.g. 3D printers and Robot milling machines). This method is used to produce models ranging from fine jewellery to 10 metre models for theme parks.

The Company operated from leased premises at Unit 1d Meon Hill Farm, Salisbury Road, Stockbridge, Hampshire, SO20 6HS. The Company had 3 full time members of staff (including the directors) however, it would utilise 5 self-employed casual staff as and when workflow required.

The Company is a multi-disciplinary creative design house and manufacturing workshop who, using state of the art 7-axis CNC robot, a range of in-house 3D printers, alongside a combination of 3D scanning, digital modelling & CAD, which can replicate almost any physical object, or create new 3D models and deliver them to any scale. This enables the company to provide a vast range of key services including:

- Digital Design,
- CNC Milling,
- 3D Printing,
- 3D scanning,
- Or, combinations of the above.

Over the last four years the Company has worked with many clients ranging from individual designers and artists, to agencies and even some multi-national brands, and has created a wide array of items from sculpture enlargements, furniture, race car parts, and even theme park attractions.

In terms of day to day operation, Mr Bridle oversees the projects from planning to execution. Miss Warner is not involved in running the business, but is privy to all financial decisions. The Company utilises external accountants and an external bookkeeper who maintains the Company financial records to ensure that the directors are fully aware of the Company's financial position.

Historically, the Company's turnover has grown year on year, rising from £13,310 in the year ending 31 May 2015 to £174,692 in the year ending 31 May 2017. As with most start-up businesses, losses were expected during its fledgling years, however the losses were declining and therefore it was hoped that, with turnover rising, the Company would soon be able to gain profitability however, in the meantime, the Company was supported financially by its directors who were confident in the business model and future prospects.

Unfortunately, in recent times, despite the directors best efforts the Company's financial position has been adversely affected by several issues which, in combination have led the Company to its current financial position. Full details of which are set out below:

### **Inability to undertake sufficient product marketing**

The Company offers a specialist service, and therefore its target clientele is very specific

In order to reach its target market the Company needed to undertake bespoke marketing, however, this proved to be expensive and required significantly more investment than the directors had first envisaged

Whilst the Company was able to generate a good level of interest in its products, its market reach was not sufficient to draw in the levels of work required to enable the funding of both growth and product development. Over time, the lack of growth compounded the cash flow issues experienced due to other issues within the business model.

### **Market Competition**

Over time, the Company soon found that its lack of growth prevented it from being able to compete with its market rivals

Whilst the Company's area of trade is specialist, it is nonetheless a very competitive field, and whilst the Company was able to tender for many projects, it found it was ultimately unable to compete with its larger competitors who were it seemed better placed to offer their services at reduced rates. This led to the Company spending a lot of time quoting for projects which it was ultimately unsuccessful in obtaining

Furthermore, in instances where projects were awarded to the Company, it struggled to generate sufficient revenue to cover production costs and achieve value for what are very creative design services

### **Loss on Project**

In 2017, the Company obtained a large project to undertake what was believed to be a straightforward restaurant design and fit-out. The Company was originally only responsible for the interior design of the space and the internal furniture (tables, bar, seating etc ) a task which was easily done and proved to be very profitable

The main building work was sub-contracted to a building firm and the initial impression given to all parties involved was that this project was just the start of a plan to develop a further 4 restaurants in the coming 4 years, therefore, if this job was completed well, it could potentially create a lucrative working relationship going forward

Unfortunately, whilst this project started off smoothly, things began to get out of control when the scope of works grew significantly. The work was really dictated by the building itself, however, as the instructing client did not seem to have done a survey prior to taking on the premises, two roofs collapsed during the works. This then added the additional work of refurbishing the kitchen, an upstairs flat, and a cellar - none of which were originally planned or budgeted for.

The building contractor quit after finishing their initial remit of works, as they did not want to get tied up doing any more, the project then struggled to find anyone to complete the works with the very minimal budget available

In an effort to get the job done and assist the instructing client, Mr Bridle stepped in and did a lot of the works needed himself on the basis of an agreement that the client would, at the very least, cover the basic costs he was incurring. However, when all work was complete, the client reneged on this deal. This resulted in the Company losing not only the charges for work done by Mr Bridle, but also the Company suffered losses due to having its director tied up on a building site for weeks on end, instead of focussing time on obtaining additional work, but at the time there seemed no alternative as the Director believed that maintaining this working relationship was important to the Company's future.

However, to add insult to injury, the client then also failed to pay the balance of the scheduled works due to the "over-run" meaning that the Company's total quantifiable losses on this job totalled £45,000, however, as stated above, the loss to the Company in terms of lost revenue whilst the director's attentions were diverted took this total loss far higher.

Sadly, the issues encountered as set out above, led the Company into a position whereby it was falling behind with payments to its creditors and pressure was mounting. By this stage the directors had injected significant sums of their own money into the business and were not in a position to lend any further sums. Therefore, with no recourse to additional funding, the directors recognised that the Company's trading position had sadly become untenable. Notwithstanding this, they still very much believed in the Company's services and so set about trying to locate a purchaser with a view to selling the business and assets for the benefit of the Company's creditors.

To this end the Directors began to approach parties with whom they had previously worked to ascertain if any would be interested in acquiring the Company's business and assets.

The Company's approaches proved initially successful and three parties indicated some interest.

The first discussed the possibility of merging with the Company, using "Studio 43" as a new creative department. This party also had sufficient space on site within their trading premises for the Company to occupy. Talks were initially promising however, ultimately, they failed when one of the partners within the potential purchaser decided that it was not the right time to diversify. Therefore, this potential merger could not proceed.

The second interested party was looking to buy the business, and initially he seemed very keen, however, the purchaser became concerned with the obligations surrounding TUPE and he retracted his interest before a formal offer was made.

The third and final interested party was a like-minded local entrepreneur who, after completing his due diligence into the Company, understood its potential. The purchaser had sufficient funds to proceed and was willing to buy the business as a going concern. They therefore submitted a formal offer of £45,000 plus VAT and also agreed that as part of the deal they would extinguish the liability to the landlord of over £5,000 to enable the Company to stay in situ going forward.

At this stage, following advice from the Company's bookkeeper, the Directors instructed an agent – namely Kay Porter of Porter and Associates, who are a NAVA registered firm of Independent Agents and Valuers – to undertake a full review and valuation of the Company's business and assets as well as review any offers received to assess their viability.

The valuation carried out by the Agent indicated that a value of between £29,300 on a forced sale basis, and £52,000 on a willing buyer basis could be achieved. However, the Agent also noted that the cost to decommission, disassemble and remove the machinery from site would cost in excess of £7,500. Therefore, this would need to be taken into account when reviewing any offers.

The Agent proceeded to review the only remaining offer in hand – being Octangle Limited – and, after this review, it became clear that this offer, whilst being marginally lower than the willing buyer valuation, presented the best outcome for the Company and its creditors as a whole.

In forming this decision the Agents considered the following facts:

- After instruction, the Agent had contacted their extensive database of engineering/fabrication contacts, providing details of the assets for sale, however, there had been no interest
- The Company's machinery is specialist, and therefore falls within a limited market. Having contacted several dealers, the general consensus was that they were no longer prepared to purchase this type of machinery – meaning that the avenues for disposal would be limited at best; and
- Whilst the Company had been able to obtain an offer for a purchase on a going concern, the Agent did not believe that further marketing would generate any benefit as the Company had no real Work in Progress to speak of and, taking into account the liabilities due to the employees and the landlord, the Agent formed a view that it would be extremely unlikely that another purchaser could be located who would be willing to pay even the forced sale basis for the business

The Agents therefore recommended that Octangle Limited's offer be accepted

Given the Company's financial position, the Company's accountants advised the directors to consult with an Insolvency Practitioner as, once the sale had been complete, the Company's affairs would need to be formally wound up. Upon discussing the position with Richard Rones of ThorntonRones Limited - a Qualified Insolvency Practitioner – it became clear that in order to affect a going concern sale of the business it would be in the best interest of all concerned for the Company to enter into Administration and for a pre-pack sale of the business to be completed shortly after appointment.

Accordingly, ThorntonRones Limited were formally engaged in this regard and were appointed Administrators of the Company just before the close of business on 9th July 2018, following which the sale of the business to Octangle Limited concluded the following morning on 10th July 2018

### **3. Initial introduction**

The Company was introduced to ThorntonRones Limited by the Company's external bookkeeper – Mr Gerry O'Keefe of Eco Office

The Administrator does not believe that there is any significant personal or professional relationship between the Company or its directors and ThorntonRones Limited and carried out the appropriate conflict review prior to accepting the appointment. I would confirm that ThorntonRones Limited was formally engaged by the Company on 9 July 2018

### **4. Pre-appointment considerations**

Upon ThorntonRones Limited's engagement, the Company had already instructed and received a valuation of its business and assets which was undertaken by professional and independent agents, Porter & Associates ("the Agents")

The Company had received interest from three parties prior to our instruction, only one of which had made an offer to purchase the business and assets on a going concern basis for £45,000 plus VAT.

The following courses of alternative action were considered with management prior to the Administrator's appointment and the pre-packaged sale.

- 1 Continued trade both with or outside of a formal Company Voluntary Arrangement ("CVA").
- 2 Sale of assets by the Administrator after a period of marketing to third parties,
- 3 Liquidation and subsequent forced sale of the Company's assets, and
- 4 Sale of the business and assets as a going concern by the Administrator

## **5. Trading the business**

Consideration was given to trading the business within Administration, however it was not deemed an appropriate route for the following reasons

- The Company's asset base was not sufficient to obtain any form of funding to support ongoing trade and professional costs,
- Given the arrears of rental to the landlord it would be difficult to maintain occupation of the premises without having to make either duress payments and/or pro-forma payment on account - which would not be possible given the limited availability of cash,
- The Company had limited work in progress meaning that profitable trading in an Administration scenario would be highly unlikely, and
- Finally, the fact that the offer received for the business (detailed above) was in fact much higher than the Agents believed could realistically be achieved on the open market, trading would not have served to increase the benefit to the estate and would, in fact, have increased costs and depleted funds available to creditors

## **6. Other alternative courses of action**

As detailed at above consideration was given to four possible courses of action

The first option, being continued trade both inside and outside of a CVA, was not considered viable as the Company's cash reserves and projected cash flow was simply insufficient to enable profitable trading, in addition to a suitable offer to be made to its creditors.

The second option, being the sale of assets by an Administrator after a period of marketing to third parties was given consideration however, ultimately this option was not considered appropriate for the following reasons:

- Immediately after undertaking the initial valuation, the Agents contacted their extensive database of engineering/fabrication contacts, and provided details of the assets for sale however, there was no interest,
- The Company's machinery is specialist, and therefore appeals to a limited market. Having contacted several dealers, the general consensus was that they were no longer prepared to purchase this type of machinery – meaning that the avenues for disposal would be limited at best, and

- Whilst the Company had been able to obtain an offer for a purchase on a going concern, the Agent did not believe that further marketing would generate any benefit as the Company had no real Work in Progress to speak of and, taking into account the liabilities due to the employees and the landlord, the Agent formed a view that it would be extremely unlikely that another purchaser could be located who would be willing to pay even the forced sale basis for the business

And finally, the third option, being the Liquidation and subsequent forced sale of the Company's assets, was also deemed inappropriate as the value of the assets on a forced sale basis were lower than that achievable with an Administration and subsequent pre-packaged sale to the prospective purchase who had made an offer which the Agent had recommended acceptance of

Therefore, after taking into account all other available options, the best course of action for the Company and its creditors as a whole and the route recommended by ThorntonRones Limited was to place the Company into Administration and undertake a pre-packaged sale of the business to this unconnected party immediately upon appointment

## 7. Comparative outcome

The following table provides a comparative outcome with a sale of the Company's assets in liquidation or via a restricted marketing period post administration, as compared to the outcome possible via the pre-packaged sale

Details of Assets	Sale in Liquidation/under Restricted Marketing conditions	Pre-packaged sale in Administration
	£	£
Stock	400	500
Plant & Machinery	27,000	42,500
Office Furniture & Equipment	900	1000
Goodwill (inc Trading Style/ WIP and IPR)	1,000	1,000
	<hr/> 29,300	<hr/> 45,000

When considering the above comparisons it is also important that creditors take into consideration the higher level of costs which would likely have been incurred in respect of marketing costs, the Agents and the Administrator's professional fees which, in reality, could well have negated any benefit to the transaction

As creditors can see the outcome achievable in a pre-packaged administration far exceeds that in Liquidation and/or under restricted marketing conditions.

## **8. 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 Administrator advised the Company prior to his 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.

In this instance, shortly after their instruction the Agents issued a mail shot to their extensive database of engineering/fabrication contacts, providing details of the assets for sale however, in the 7 weeks following their initial instruction there had been no interest

In addition, the Agents contacted several dealers in order to try and obtain offers for the plant & machinery – however, as detailed above, the dealers were disinterested due to the nature of this “kit”.

In terms of the “going concern” offer received. This would save the employment of the Company's staff and enable a reduction in creditors' claims due to both the clearance of the landlord debt, and the fact that no redundancies would need to be made. However, in the Agent's opinion, the likelihood of locating anyone else willing to take over a business of such a niche nature, with little work in progress and specialist “kit” (which was unlikely to be disposed of in a timely fashion) was extremely unlikely. The Directors had been, in the Agent's professional opinion, extremely lucky to have been able to locate such a like minded entrepreneur willing to proceed with the deal offered.

Therefore, the Agent was of the opinion that additional marketing would have served to unnecessarily increase costs and achieved no additional benefit to creditors.

## **9. Valuation of the business and assets**

The Company's assets were valued on 17<sup>th</sup> May 2018 by Kay Porter of Porter & Associates. Porter & Associates are National Insolvency Agents, Auction Specialists, and Asset Managers.

The Agents principle, Ms Kay Porter, has over 20 years of experience in the valuation industry and is a member of the National Association of Valuation Agents.

The Agent has confirmed their independence and that they carry adequate professional indemnity insurance.



The Agent's valuation was undertaken on both a willing buyer and forced sale basis and was as follows.

<u>Summary of Values</u>		
	<u>Willing Buyer £</u>	<u>Forced Sale</u>
<u>Goodwill, Name &amp; Trading Style, Works in Progress including any Intellectual Property Rights</u>	5,000.00	1,000.00
<u>Plant &amp; Machinery</u>	45,000.00	27,000.00
<u>Stock/Miscellaneous</u>	700.00	400.00
<u>Office Furniture &amp; IT Equipment</u>	1,300.00	900.00
	-----	-----
Totals	52,000.00	29,300.00

#### 10. Details of the assets sold and the nature of the transaction

I can confirm that the sale of the Company's business and assets to Octangle Limited, being an unconnected party, was completed on 10 July 2018.

The sale consideration was £45,000 plus VAT. £5,000 plus VAT was paid upon completion with the balance due by 29 July 2018. A Personal Guarantee from the director of the purchaser has been received in regards to the balancing payment.

#### 11. Connected Party transactions

I can confirm that my investigations have not identified any connection between the purchaser and the directors and/or shareholders of the company.