

# AM03

## Notice of administrator's proposals



Companies House

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A19 13/04/2019 #33  
COMPANIES HOUSE

### 1 Company details

Company number 0 1 5 2 1 7 0 7

Company name in full Clovemead Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Charles Michael

Surname Brook

### 3 Administrator's address

Building name/number The Media Centre

Street 7 Northumberland Street

Post town Huddersfield

County/Region

Postcode H D 1 1 R L

Country

### 4 Administrator's name ①

Full forename(s) Allan Christopher

Surname Cadman

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 16 Oxford Court

Street Bishopsgate

Post town Manchester

County/Region

Postcode M 2 3 W Q

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

AM03

## Notice of Administrator's Proposals

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### Statement of proposals



I attach a copy of the statement of proposals

7

### Sign and date

Administrator's  
Signature

Signature

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Signature date

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# 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	Jonathan Molloy				
Company name	Poppleton & Appleby				
Address	16 Oxford Court				
	Bishopsgate				
Post town	Manchester				
County/Region					
Postcode	M	2		3	W Q
Country					
DX					
Telephone	0161 228 3028				



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**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.



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



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The Registrar of Companies, Companies House,  
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DX 33050 Cardiff.



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CLOVEMEAD LIMITED (IN ADMINISTRATION) ("THE COMPANY")

## **STATEMENT OF THE JOINT ADMINISTRATORS' PROPOSALS PURSUANT TO SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

**Charles Michael Brook and Allan Christopher Cadman  
Joint Administrators**

**Poppleton & Appleby  
16 Oxford Court, Bishopsgate, Manchester, M2 3WQ**

### **Disclaimer Notice**

- This Statement of Proposals has been prepared by Charles Michael Brook and Allan Christopher Cadman, the Joint Administrators of Clovemead Limited, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the Administration and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- Any estimated outcomes for creditors included in this Statement of Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this document for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Statement of Proposals.
- The Joint Administrators act as agent for Clovemead Limited and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Poppleton & Appleby does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.
- All licensed Insolvency Practitioners of Poppleton & Appleby are licensed in the UK to act as Insolvency Practitioners.

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## **1. INTRODUCTION**

This Statement of Proposals is prepared pursuant to Schedule B1 of the Insolvency Act 1986 ("the Act") in relation to the Company, the purposes of which are to provide creditors with a full update as to the present position and to set out the Joint Administrators' proposals for achieving an Administration objective. A sale of a division of the business was achieved immediately upon the Joint Administrators' appointment as outlined further in this report. This is known as a pre-package sale ("pre-pack"). The Joint Administrators complied with their statutory duties and issued a SIP16 Statement on 15<sup>th</sup> March 2019. It was not possible to issue these Proposals concurrently with the SIP16 Statement for the following reasons:

- The attention to practical and operational matters relating to parts of the business not disposed of in the pre-pack sale;
- The collation of substantial information from the Company and other advisors in order to provide thorough information to creditors in this document;
- The formalities and notice periods attached to the provision of a statement of affairs and statements of concurrence from the Company's directors.

The Statement of Proposals also includes information required to be provided to creditors pursuant to the Insolvency Rules (England & Wales) 2016 ("the Rules"). The statutory information pertaining to the Company is set out below in Section 2 and details of the Joint Administrators' appointment appear in Section 3 below.

This Statement of Proposals is being delivered to creditors on 10th April 2019. Creditors are invited to decide whether to approve the Joint Administrators' proposals. Section 17 provides further details on this decision process.

## 2. STATUTORY INFORMATION

Name of Company: Clovemead Limited

Company Number: 01521707

Date of Incorporation: 13 October 1980

Registered Office: 16 Oxford Court, Bishopsgate, Manchester, M2 3WQ

Principal Trading Addresses: Brunel House, Vale Owen Road, Warrington, Cheshire, WA2 8NZ  
Unit 3, Shell Green, Bennetts Lane, Widnes, WA8 0GW

Principle Objectives: Construction

Authorised Share Capital: £10,000 divided into ordinary shares of £1 each

Issued Share Capital: 10,000 shares

Shareholders: G R Holland 5,000 shares  
P Saunders 5,000 shares

Officers of the Company: G R Holland (Director)  
P Saunders (Director)  
G M Riding (Director)  
S K Egan (Director)  
P J Rava (Director) (resigned 15<sup>th</sup> February 2019)  
R Lomax (Company Secretary)

### Mortgages and Charges:

<u>Type of security</u>	<u>Name of charge-holder</u>	<u>Date of creation of security</u>	<u>Satisfied</u>
Debenture	Bank of Scotland plc	27 June 2017	26 March 2019
Fixed charge	Bank of Scotland plc	3 August 2017	22 March 2019

### **3. DETAILS OF APPOINTMENT OF THE JOINT ADMINISTRATORS**

Name of Joint Administrators:	Charles Michael Brook IP No: 9157 (Licensed by the Insolvency Practitioners Association) Popleton & Appleby The Media Centre, 7 Northumberland Street, Huddersfield, HD1 1RL
	Allan Christopher Cadman IP No: 9522 (Licensed by the Insolvency Practitioners Association) Popleton & Appleby 16 Oxford Court, Bishopsgate, Manchester, M2 3WQ
Date of Joint Administrators' Appointment:	11 March 2019
Court:	High Court of Justice, Business & Property Courts Manchester No: 124 of 2019
Person(s) making appointment/application:	<i>The Directors of the Company pursuant to paragraph 22 of Schedule B1 of the Insolvency Act 1986</i>
Acts of the Joint Administrators:	The Joint Administrators act as officers of the Court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time.
EC Regulation on Insolvency:	Article 3 of The EC Regulation on Insolvency Proceedings applies to these proceedings which are main proceedings within the meaning of the Regulation.

#### 4. BACKGROUND TO THE COMPANY

The Company traded principally from owned premises at Brunel House, Vale Owen Road, Orford Green, Warrington, WA2 8NZ and latterly also from leasehold premises at Unit 3, Shell Green, Bennetts Lane, Widnes WA8 0GW.

The Company was incorporated on 13<sup>th</sup> October 1980 and commenced trading immediately. Mr G Holland and Mr P Saunders were appointed as Directors at inception. They formed the business combining their respective specialist knowledge, skills and experience and professional reputations forged whilst working separately with two major oil companies.

The Company rapidly established itself as a class leading principal contractor in the construction and industrial facilities maintenance sector. It adapted to meet the changing needs of its client base by the development of divisions within the Company as outlined below.

The Company ultimately had 4 distinct divisions of business within the single corporate entity. The divisions each had specific designated employees and functions. These can be summarised as follows:

##### Construction

This area of the business could be described as a classic construction company focussing primarily on the commercial market but also capable of handling public sector, retail, industrial and domestic projects. It specialised in automotive showrooms (new and refurbishments), warehousing, healthcare, food and with particular expertise in filling station forecourt developments. The division had established an enviable blue chip client base, including VAG UK, Bentley fuel distributors such as Shell and BP. Its clients also included local authorities such as Warrington Borough Council, the Post Office and other retail outlets together with industrial and commercial customers. This division has regularly undertaken contracts up to £2m in value and handle the contract from receipt of design up to completion. This division of the business traded from the Warrington premises.

##### Minor Works

This consisted of a small team of experienced fitters capable of working independently as a maintenance task force on smaller contracts, in specialist environments and supplementing the services of the other divisions.

##### Fuel Line Systems

Experienced in petrochemical environments, this division also installed generator fuel supply systems. In particular it installs diesel storage and supply systems to all BT telephone exchanges UK wide. It operated in a highly specialised market situation where typically the work was variable in frequency and experienced periods of low turnover as well as periods of high demand. This division traded from the Widnes premises.

##### Signage

As an evolution from the Company's expertise in the automotive and fuel supply industries, it also provided services ranging from the installation and maintenance of forecourt signage to the complete refurbishment of forecourt and premises' facades; another highly specialised field. The Company had a long standing contract to supply and fit Shell filling stations throughout the UK. It had a similar contract with BP until 2017 when the Company was unsuccessful in re-tendering. The Company did not manufacture but had a network of dependable providers. The Company also had an ongoing contract to supply VAG UK dealerships although increasingly it has been difficult to predict demand in this sector. This division also traded from the Widnes premises.

The roles of the Directors were clearly defined along the divisional lines as above and commensurate with their historic specialisms. Mr Holland oversaw "construction and minor works". Mr G M Riding was appointed to assist in this division as a Director on 1<sup>st</sup> September 2004 and, latterly, Mr S K Egan who was appointed as Director on 1<sup>st</sup> June 2017. Mr Saunders had overall responsibility for the "signage" division and also the "fuel lines" with the assistance of Mr P Rava who was appointed as a Director on 1<sup>st</sup> September 2004. All major decisions however for the Company as a whole, were taken at Board level.

The Company has traded for many years making significant profits and providing long serving support and professional services to its clients referred to above establishing a reputation for high quality services to the various sectors in which it was involved which have included motor franchise owners particularly within the Volkswagen network, directly to Bentley Motors Limited at its Crewe production facility, fuel distributors including Shell and BP, local authorities, schools and colleges, religious institutions and health authorities.

Although turnover has remained fairly consistent in recent years, profit margins have become harder to sustain. Efforts to assuage that issue had been made in recent years but, a point had been reached beyond which it was considered that further cost cutting would detrimentally affect the ability of the Company to operate effectively and continue to provide the level of specialist support that its key portfolio of target clients required.

In September 2018, the directors considered the Company's management accounts in respect of the second quarter which fell significantly below their expectations, revealing further trading losses across all divisions. The

directors had previously concluded that any further cost-cutting measures in terms of redundancies would be detrimental to the business as it would be unable to provide the quality services and would find it increasingly difficult to procure contracts in the high quality accredited and specialised fields in which it operated.

The Company's financial accounts cover the whole of the business. However, the directors also relied upon internal management information on a divisional basis. The accounting information is published at Appendix 1 and reveal losses and a gradual depletion of the Company's net asset position over a 3 year period. Further, the divisional information available to the directors, had also revealed that Signage and Fuel Lines gave the most cause for concern.

In November 2018, the directors sought time to pay measures with HMRC and understood that the cashflow was becoming increasingly pressurised.

*It is notable that the Company had a notional overdraft facility of its bank, Bank of Scotland plc ("the Bank"), in the sum of £240,000. That facility was secured by way of a debenture conferring fixed and floating charges over the assets and business of the Company. Historically the facility had rarely been used and in 2018 when the directors enquired of the Bank if the facility was still available they were advised that any use of it would require prior approval. Given the Company's financial uncertainty the directors were reluctant to seek use of that facility knowing that repayment could be difficult to service and with a belief that the Bank's approval would be unlikely upon closer scrutiny of the existing financial position. As at the date of the Joint Administrators' appointment, the Company's bank account remains significantly in credit.*

The directors recognised that the 3 principal divisions of the business may well benefit from being hived-out to facilitate a disposal or to make the Company as a whole or its separate divisions attractive to further investment. A marketing strategy was undertaken by the directors in conjunction with the services of the Company's accountants, Langton Professional Services Limited in late 2018. That initially resulted in an offer of secured loan finance from an independent third party which was also interested in acquiring the Company's business as a whole; however, after due consideration and taking advice, the directors accepted that without fundamental changes to the structure and trading experience of the Company, the financial relief provided by that funding would be short-term. Moreover, it would involve providing security over the Company's principle fixed asset being, its premises in Warrington and, having regard to the imminent prospect of insolvency, merely deplete assets including its cash reserves to the ultimate potential detriment of the Company's creditors generally. The offer was not therefore accepted.

## **5. CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS**

Poppleton & Appleby were initially recommended to the Company's directors by Rickitt Mitchell. On 12<sup>th</sup> April 2018 a meeting was held between Charles Michael Brook, Allan Christopher Cadman (Licenced Insolvency Practitioners), and Jonathan Molloy (Insolvency Director) of Poppleton & Appleby and Graham Holland and Peter Saunders, the Company's two principal directors and shareholders. The purpose of the meeting at that time was to review the viability of the Company and its business in light of its recent adverse trading performance.

No fee or commission was paid or will be paid to Rickitt Mitchell for making the recommendation.

As a consequence of that meeting, a report was prepared by Poppleton & Appleby which confirmed the solvency of the Company but which expressed clear concerns that the Company could stray into insolvency if appropriate steps were not taken to assuage the identified risks. In particular it was noted that if the Company became formally insolvent then a significant liability would accrue in relation to the preferential and unsecured claims of its personnel many of whom had a service history with the Company in excess of 20 years.

The next subsequent meeting was on 23<sup>rd</sup> May 2018 at which the report was discussed and agreed.

The directors next approached Poppleton & Appleby on 6<sup>th</sup> November 2018 following the preparation by the directors of management accounts that indicated a further deterioration in the Company's trading performance. The increased likelihood of the Company's formal insolvency was highlighted and although it was not considered to be insolvent at that time, it was identified that immediate measures should be taken with a view to avoiding insolvency.

At that time the Company was actively pursuing new business and the directors retained a degree of optimism that if it materialised then the imminent risk of insolvency would be averted. Nevertheless, steps that had already been implemented by the directors in consultation with the Company's accountants to seek parties that may be interested in procuring the Company or its business continued.

A further meeting took place on 11<sup>th</sup> December 2018 at which the Company's progress in relation to both securing profitable contracts and garnering an interest from potential acquirers was reviewed and its options in the event of a positive or negative outcome were confirmed verbally with the directors.

At a meeting with the directors held on 23<sup>rd</sup> January 2019 at which detailed management information it considered it was identified that, unless a number of active opportunities to sell the Company's business as a going concern were successful within a modest timescale, the Company would become irretrievably insolvent. The likelihood was deemed high and in anticipation of a formal insolvency, it was agreed that Poppleton & Appleby would be engaged by the Company to continue advising generally on the Company's solvency whilst also assisting the directors in dealing with the formalities of preparing to place the Company into administration and, with the assistance of solicitors, to pursue a 'pre-pack' sale of the business as a going concern.

In addition, Poppleton & Appleby was engaged to instruct agents to advise on the value of the Company's business and assets and to enter into negotiations with interested parties with a view to concluding a sale of the Company's business and assets shortly after entering administration.

That engagement was signed and received on 7<sup>th</sup> February 2019.

This report refers to a marketing strategy undertaken by its accountants which resulted in an offer of secured finance from an independent third party which was not accepted. The exercise also alerted a competitor in the fuel lines industry, namely Craggs Environmental Limited ("Craggs"). Negotiations were entered into between the directors and Craggs resulting in the sale of the Fuel Line Systems business and assets (including items of plant and machinery and 2 motor vehicles subject to finance) as a going concern. In addition, the Company's interest in existing related client contracts were migrated. The most significant advantage of the disposal was that 5 employees, including a non-shareholding director, were transferred to Craggs which adopted their contracts of employment. Thus, a potential additional liability on a formal insolvency was avoided which was deemed to be in the best interests of creditors generally.

The consideration received by the Company was £25,000 as a going concern sale. The negotiations took place after the directors gave Poppleton & Appleby formal instructions to assist the Company insolvency and hence Charterfields, professional valuers and Chartered Surveyors were by then engaged to assist in reviewing the Company's assets as a whole. The contract and assets subject to the sale were assessed by Charterfields on behalf of the Company who gave their recommendations to the directors that in the prevailing circumstances, the offer ought to be accepted; in their opinion it was in excess of the financial outcome that was likely to be achieved in an Administration sale and the retained employment for the staff transferred under TUPE thus reduced the Company's potential liability to notice and redundancy payments.

Completion occurred on 18<sup>th</sup> February 2019 when consideration was paid in full, less a creditor balance offset by the purchaser, resulting in the sum of £22,524 being paid to the Company's solicitors and held by them pending the Joint Administrators' appointment.

Creditors should note that this sale was not an Administrators' sale but is detailed here to assist in the understanding of matters arising during the period whilst Poppleton & Appleby have been formally advising the Company in anticipation of the commencement of Administration. The sale to Craggs was completed with relative haste to ensure that it occurred prior to Administration because the Company's standing contract with British Telecom ("BT") was understood to be sensitive to a formal insolvency appointment which would have necessitated BT engaging in a re-tendering process. In that event the division would not have been assured of continued work and Craggs would not have wished to assume the risk of taking on the personnel with their accrued employment rights.

Marketing of the remaining divisions of the business continued under the auspices of Charterfields, full details of which appears within the Joint Administrators' SIP16 report dated 15<sup>th</sup> March 2019.

As a result of the Company's earlier marketing strategy, another independent third party, the Toureen Group ("Toureen"), had shown interest in the Signage division and on 15<sup>th</sup> February 2019, an initial offer was made direct to the Company's directors. The marketing exercise as a whole demonstrated that Toureen were the only credible interested party in Signage and negotiations were entered into by the prospective Joint Administrators. Charterfields were asked to opine on the ultimate offer received. Given the distressed position of the business and the saving of redundancy costs in respect of 19 staff, they recommended that the sum of £75,000 ought to be accepted as set against the alternative of close down and forced sale realisations. Details of the sale are provided in section 7 of this report.

Regrettably, the marketing campaign failed to attract any significant interest resulting in a potential purchaser for the Construction and Minor Works divisions which were still engaged in ongoing contracts. Significant efforts were made in order to protect the position in respect of contracts underway and to mitigate the potential for any counter-

claims or reasons to withhold payment in the expectation that the Company would cease to trade upon the Joint Administrators' appointment.

Notice of intention to appoint Joint Administrators was filed in Court on 26<sup>th</sup> February 2019 and the statutory notice given to the Company's bankers. The bank had been given security as outlined within the statutory information although they were not considered to be creditors, it was necessary to give formal notice.

On 11<sup>th</sup> March 2019, the directors appointed Charles Michael Brook and Allan Christopher Cadman to act as Joint Administrators of the Company pursuant to paragraph 22 of Schedule B1 of the Act.

## **6. PURPOSE OF ADMINISTRATION**

The purpose of an Administration is set out in Schedule B1, Paragraph 3(1) of the Act. In short, this provides that *an Administrator of a company must perform his functions with the objective of:*

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely to be achieved 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.

These objectives form a hierarchy. The rescue of a company is the priority. If this is not possible, the Administrator seeks to achieve a better result for the creditors as a whole. In the event that this cannot be achieved, then the Administrator is permitted to realise assets for the benefit of the preferential or secured creditors.

The Joint Administrators concluded that rescuing the Company as a going concern would not be possible. The sales of Signage and previously Fuel Lines had left the Construction division only which had not attracted any significant interest following the extensive marketing strategy. Any continued trading would significantly erode the Company's cash resources. The Company ceased to trade upon the Joint Administrators' appointment.

The Joint Administrators consider that the Administration has enabled a sale of the business and assets of Signage division and have recovered the proceeds of sale from the earlier sale of the Fuel Lines to Craggs. This has enhanced the funds available to all creditors in that the consideration achieved is considerably higher than the alternative of forced sale, and the attendant costs of storage and sale. Also, the redundancy costs in respect of 25 employees have been avoided as they have been transferred to the purchasers under TUPE regulations. A licence to occupy in respect of the Widnes premises has also mitigated the Joint Administrators' rent liability. The managed close down of the Construction division and the moratorium provided, will also assist in enhanced recoveries in respect of contract debts and work in progress.

## **7. PROGRESS OF THE ADMINISTRATION**

Prior to the Joint Administrators' appointment, in the understanding that the pre-pack sale of Signage was to be undertaken, a review of the Company's affairs with particular regard to the viability of Construction division and whether trading could continue. The Joint Administrators concluded that continuing to trade whilst seeking a sale would erode the Company's asset position. Also, there had been no interest from any party in this division during the extensive prior marketing campaign. The Joint Administrators took the decision that the Company ceased to trade and remaining employee contracts were terminated. This assessment was carried out in liaison with the remaining management of the Company.

In addition to the sale proceeds from the pre-pack sale of Signage in the sum of £75,000, the Joint Administrators have also recovered net funds held by solicitors in respect of the earlier sale by the Company prior to Administration of the Fuel Lines division in the sum of £19,986.

The Joint Administrators have also commenced asset recoveries and the progress made is highlighted under the heading "Assets remaining to be realised" below.

The Joint Administrators have also fulfilled their statutory obligations in terms of filing documentation, notifying creditors including the SIP16 report and also advertising their appointment.

### **The sale of the Company's business and assets**

A pre-pack sale was undertaken in respect of Signage. Full details of this sale were provided within the SIP16 report dated 15<sup>th</sup> March 2019.

A sale of the business and assets of the Company's Signage division was completed on 11<sup>th</sup> March 2019 with Red Building Solutions Limited (part of the Toureen group).

There is no connection between the purchaser and the directors, shareholders or secured creditors of the Company or their associates.

The transaction is between the Company and Red Building Solutions Limited only and does not impact on any related companies.

No guarantees have been given by any directors for amounts due from the Company to a prior financier.

None of the consideration payable under the transaction is contingent or deferred.

### ***The assets***

The sale included the assets listed below and was completed by means of a sale and purchase agreement.

Neither the business nor any of the assets sold were previously purchased from an insolvent company.

### ***The sale consideration***

The sale consideration totalled £75,000 and required the full sum to be paid on completion.

The secured creditor as referred to in this report has confirmed that no funds are due to them and has executed a deed of release. Hence, the sale consideration has not required formal allocation to charges and is wholly unencumbered. The asset categories disposed of are the interest, right and title of 'signage' assets as follows:

Business Information  
Goodwill  
Intellectual Property  
Motor Vehicles  
Office Furniture and Equipment  
Plant and Machinery  
Stock  
Sundry Equipment

The Sale and Purchase Agreement contains the overall consideration amount but does not provide individual values to the above categories. During negotiations, indicative values were placed against each asset, and scrutinised by Charterfields. Charterfields gave their recommendation that the overall consideration exceeded that which could be achieved individually for each asset category in any other mode of disposal.

The Company had several items of equipment and motor vehicles held on hire purchase with one finance company who had a right of consolidation over the whole. Included were 3 items which formed part of the 'Signage' transaction with individual settlement figures totalling £15,383. Charterfields advised that it would be prudent to settle with the finance company overall to release the equity in these financed assets. The finance was settled by the Company directly, prior to the Joint Administrators' appointment and is not deducted from the consideration.

For the avoidance of doubt the assets of 'Construction' and 'Minor Works' were excluded from the transaction as were the following assets of the Company: cash at bank or in hand, freehold and leasehold land and buildings, contracts not terminable on administration, book debts, work in progress, third party assets, or retention of title stock.

An overriding feature of the transaction is that there were 19 employees who were transferred as part of the sale, therefore saving an estimated £100,000 in redundancy entitlements.

The consideration for the sale has been received in full.

There were no options, buy-back arrangements or similar conditions attached to the contract of sale.

A licence to occupy was granted in respect of Unit 3 Shell Green, Bennetts Lane, Widnes WAB 0GW for a period of 14 days whilst negotiations with the landlord of the property are progressed. Upon the expiry of this licence, the Joint Administrators, through their solicitors, have sought to grant a further licence to occupy for an extended period and to ensure that the purchaser would pay a licence fee based on potential Joint Administrators' liabilities for rent, services and business rates.

The Sale is not part of a wider transaction between the parties or any associates of either party.

### **Sales to connected parties**

There have been no sales of any of the Company's assets to connected parties since the Joint Administrators' appointment.

### **Assets remaining to be realised**

The sale to Red Building Solutions Limited did not include the Company's land and buildings and other assets of the Construction and Minor Works divisions. The Joint Administrators have taken steps to protect and preserve the value in the remaining assets referred to in the Statement of Affairs and expanded upon below:

#### Land & Buildings

WT Gunson, independent commercial property agents, have provided a valuation of the property at Brunel House, Vale Owen Road, Orford Green, Warrington, WA2 8NZ. They have also commenced to market the property for sale with a recommended asking price of £550,000.

#### Leasehold Property

The Company's leasehold property at Unit 3, Shell Green, Bennetts Lane, Widnes, WA8 0GW, was occupied by the Signage and Fuel Systems divisions. The sale of Signage did not provide for an assignment of the lease. However, a short term licence to occupy has been negotiated with the purchaser. The lease itself has no commercial value to the Joint Administrators and ultimately they will seek to negotiate an informal surrender with the landlord.

#### Chattel Assets

The directors' Statement of Affairs shows residual assets of Construction and Minor Works division which comprise plant and machinery, furniture and equipment and motor vehicles. These have been valued by Charterfields who have been instructed to recover these assets and prepare a sale. The valuation provides estimated to realise values of £2,500, £2,500 and £38,000 respectively in respect of these asset groups.

#### Work In Progress

The Statement of Affairs shows work in progress which comprises work done by the Company which had not been invoiced as at the date of the Joint Administrators' appointment. This has a book value of £474,884. A thorough review of the Company's contracts in conjunction with Q-Consult, independent quantity surveyors, has revealed that it is estimated that the sum of £162,703 will be realised. Q-Consult have been engaged to assist the Joint Administrators in the recovery of outstanding items.

#### Book Debts

Again, a thorough review of the Company's sales ledger has been undertaken. The Company's book debts have a book value of £940,911. Having made provision for any known bad or doubtful debts, a reserve has been made and for the purposes of the Statement of Affairs, it is estimated that the sum of £450,000 will be realised. The Joint Administrators will make the initial application in respect of invoiced debt. However, in matters where complications arise, the services of Q-Consult will be utilised. Ultimately, the Joint Administrators may also be required to seek recourse to legal action though this will be with the criteria of commerciality and on a case by case basis and where all other efforts have failed.

#### Retentions

The review of the Company's records show retentions with a book value of £148,108. Whilst the directors have confirmed that the Company has a good record of recovering retentions, by nature they are problematic and will require the services of Q-Consult. A significant provision has been made against irrecoverable retentions and it is estimated that £29,662 will be realised.

#### Cash At Bank

As at the date of the Joint Administrators' appointment, the Company's account was in credit in the sum of £207,352. It has been agreed with the bank that in the short term, the account will remain open to receive any debtor payments.

### **Post appointment strategy**

Immediately following the appointment of the Joint Administrators on 11 March 2019, members of the Joint Administrators' staff attended each of the Company's sites to advise employees of the Joint Administrators' appointment. Staff were briefed with regards to the Administration and informed that a sale of the business and assets of Signage had been completed to Red Building Solutions Limited. Staff of Signage division were then informed that their employment had been transferred under TUPE and they were referred to the relevant contact point of the purchaser.

Staff employed in the Construction and Minor Works division were regrettably advised that their employment was terminated with immediate effect. These staff were given full details of their entitlements and were advised that EK Employment Law Consultants were engaged by the Joint Administrators to handle their claims under the Employment Rights Act 1996.

The Joint Administrators' staff are in the process of collating creditors' claims and have handled creditors' queries as they have arisen which include telephone calls and correspondence.

The Joint Administrators' legal advisors advised in respect of all legal issues arising on the sale of business and assets and have been assisting the Joint Administrators with post appointment matters.

Legal advice has been required in relation to the various properties and leases. Red Building Solutions Limited were granted a licence to occupy the Widnes premises. A further licence to assign has been prepared and matters regarding the leasehold properties generally are ongoing and the Joint Administrators' solicitors, Freeths LLP, remain instructed in respect of these ongoing matters.

To advise on appropriate legal matters and to prepare required legal documentation, the Joint Administrators instructed Freeths LLP, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.

In addition, Charterfields Limited, a firm of chattel agents, were instructed by the Joint Administrators to undertake inventories and valuations of plant and equipment, fixtures and fittings and motor vehicles. The agents will also advise on the best method of disposal of those assets. The agents have also been instructed to recover electronic data and to arrange for any data held on mobile devices recovered to be wiped.

All professional fees are based upon the parties' recorded time costs incurred at their standard charge out rates and will be reviewed by the Joint Administrators' staff before being approved for payment. This is with the exception of Charterfields and W T Gunson charges which are likely to involve a percentage commission element. Also, fees in respect of ERA work are likely to be as a fixed cost per employee dealt with.

## **8. STATEMENT OF AFFAIRS AND THE OUTCOME FOR CREDITORS**

A Statement of Affairs as at 11<sup>th</sup> March 2019 has been submitted by the Directors of the Company, a copy of which is attached at Appendix 1.

In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration (including agents, legal and other professional fees).

The Joint Administrators have not carried out any work of the nature of an audit on the information.

### **Secured creditors**

The Company had given security to the Bank of Scotland as outlined within the statutory information. As at the date of the Joint Administrators' appointment, there was no indebtedness to Bank of Scotland. Immediately following the Administration, the bank filed memoranda of satisfaction with the Registrar of Companies.

### **Preferential claims**

Preferential claims relating to employee claims for outstanding wages and holiday pay are expected to be paid by the RPO who will have a corresponding preferential claim against the Company. These are likely to be in the region of £24,498. There are no other known preferential claims outstanding.

A claim for unpaid pension contributions is also anticipated. Whilst it is not yet quantified, it is thought to be in the region of £7,348.

Section 176A of the Act requires Administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.

In this case, the prescribed part provision does not apply, as there is no debt due to any secured creditor and memoranda of satisfaction have been filed as outlined.

As demonstrated in the Estimated Outcome Statement attached at Appendix 3, on the basis of the costs incurred to date and the estimated further costs to be incurred in bringing the Administration to a conclusion, it is anticipated

that there will be sufficient funds to pay a distribution to unsecured creditors, including preferential creditors. Due to the probable distribution to unsecured creditors, you are requested to submit claims to the address on the front of this report. A Proof of Debt form is provided in the document to which this forms at Appendix 8.

Attached at Appendix 4 is the Joint Administrators' receipts and payments account for the period from 11<sup>th</sup> March 2019 to 10<sup>th</sup> April 2019.

## **9. DIRECTORS' REPORTING**

The Joint Administrators are undertaking a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a conduct report to be submitted in respect of Company directors in office at the commencement of the Administration and any who resigned in the three years prior to the Administration.

Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

## **10. THE JOINT ADMINISTRATORS' PROPOSALS**

This section summarises the Joint Administrators' proposals. This section along with sections 12 to 16 comprise the Joint Administrators' Proposals under paragraph 49 of Schedule B1 of the Act.

In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

- the Joint Administrators propose to continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
  - (i) they continue to recover the outstanding assets in respect of cash at bank, book debts, retentions and work in progress as set out in this report and do all things necessary to ensure the realisation of these and any further assets;
  - (ii) that they continue to market the Company's land and buildings, fixtures and fittings, plant and machinery and motor vehicles and they sell the Company's remaining assets at such time(s) and on such terms as they consider appropriate;
  - (iii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
  - (iv) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
  - (i) In the event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Charles Michael Brook and Allan Christopher Cadman will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 8; or

- (ii) However, in the unlikely event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
- (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Charles Michael Brook and Allan Christopher Cadman may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

## 11. STATEMENT OF PRE-APPOINTMENT COSTS

On 7<sup>th</sup> February 2019 as set out in our letter of engagement, the Company agreed with the proposed Joint Administrators that Poppleton & Appleby be paid fees for work done prior to the Administration on the basis of a set fee. In a supplemental letter dated 4<sup>th</sup> March 2019, the Company agreed that the set fee be increased to £35,000 plus VAT and related expenses for the following tasks and matters that were considered to be necessary to placing Clovemead Limited into Administration.

Setting the Joint Administrators' fees in the sum of £35,000 is considered to be a fair and reasonable reflection of the work undertaken, because if the Joint Administrators were to charge their fees on the basis of time costs incurred by them and their staff, this would result in a fee in excess of that proposed.

Details of the work undertaken by the proposed Joint Administrators prior to their appointment which were considered necessary for placing the Company into Administration are detailed at Appendix 6. The Poppleton & Appleby Charging, Expenses & Disbursement Policy document is also attached at Appendix 5.

In conducting the above work, the following costs were incurred:

£	
Poppleton & Appleby's fixed fee (see Appendix 6) -	£35,000
Poppleton & Appleby's disbursements	NIL
Agents' costs (Charterfields)	£ 6,000
Solicitors' costs (Freeths)	£12,659
Quantity Surveyor (Q-Consult) costs	£ 2,283

The Joint Administrators have received payment from the Company of £5,000 plus VAT on account of Poppleton & Appleby's pre-Administration time costs.

Consequently, the unpaid pre-Administration costs are as follows:

£	
Poppleton & Appleby's fixed fee (see Appendix 6) -	£30,000
Poppleton & Appleby's disbursements	NIL
Agents' costs (Charterfields)	£ 6,000
Solicitors' costs (Freeths)	£12,659
Quantity Surveyor (Q-Consult) costs	£ 2,283

The payment of the unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act. Further explanation of the approval process is provided in Section 18.

## 12. THE JOINT ADMINISTRATORS' FEES & EXPENSES

### The Joint Administrators' Fees

The Joint Administrators propose to fix their fees on a combination of the following basis:

- A set amount of £25,000 for the Administration and a set amount of £20,000 for the Liquidation in the event that the Company exits into Creditors' Voluntary Liquidation or Compulsory Liquidation and the Joint Administrators become the Joint Liquidators.

- A percentage of asset recoveries as outlined in the Joint Administrators' fees Proposal at Appendix 7. The percentage is to apply in the event that the Company exits into Creditors' Voluntary Liquidation or Compulsory Liquidation and the Joint Administrators become the Joint Liquidators.

The set amount element of the fee is proposed to be charged to cover the Joint Administrators in respect of tasks carried out which are required by statute or regulation but provide little or no financial benefit to the estate.

Full details of the proposed percentage of realisations are outlined within the fees estimate at Appendix 7.

Creditors may access a Guide to Administrators' Fees at:

[https://www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Administrators\\_Fees\\_Oct\\_2015.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Oct_2015.pdf)

A hard copy will be provided on request.

Further information is set out below and in the appendices to explain the future time costs that the Joint Administrators anticipate incurring in this Administration.

### **The Joint Administrators' Expenses**

The Joint Administrators' expenses may be divided into two categories:

- Category 1 expenses are costs that can be specifically identified as relating to the administration of the case. These are charged to the estate at cost with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums and properly reimbursed expenses. Legislation provides that administrators may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.
- Category 2 expenses are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 expenses after the relevant creditors have approved the bases of their calculation.

At Appendix 5 is Poppleton & Appleby Charging, Expenses & Disbursement Policy which outlines the expected Category 2 expenses.

At Appendix 6 there is a table providing details of the bases of Category 2 expenses that the Joint Administrators propose to recover from the insolvent estate.

### **13. PROPOSED WORK TO BE UNDERTAKEN**

At present, it appears possible that there will be sufficient funds to pay a dividend to unsecured creditors (other than by way of the prescribed part). As this will be carried out once the Company has moved from Administration to Creditors' Voluntary Liquidation, separate Fees and Expenses Estimates for the Liquidation have been provided at Appendix 7.

In the event that the Company moves into Creditors' Voluntary Liquidation, before all assets have been realised, any realisations within the ensuing liquidation will attract the percentage rates set out within the fees estimate for the Administration.

In any event, the Joint Liquidators will be required to carry out the following activities in addition to continuing to realise the Company's assets and conduct investigations, where these have not been completed in the Administration:

- Meeting statutory requirements including: issuing notices on appointment; issuing annual progress reports and a final account to creditors; and completing periodic tax returns;
- Maintaining case files, which must include records to show and explain the administration of the liquidation and any decisions made by the Joint Liquidators that materially affect the administration;
- Conducting periodic case reviews to ensure that the liquidation is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments;
- Adjudicating on all creditors' claims with the assistance of solicitors where necessary;
- Giving notice of the intention to declare a dividend; and
- Calculating, declaring and paying dividends to creditors and dealing with unclaimed dividends.

#### 14. OTHER INFORMATION TO SUPPORT THE PROPOSED FEES

Appendix 7 provides the Joint Administrators' estimate of the expenses that have been or are likely to be incurred.

Please note that the estimate has been provided on the assumptions given below. In the event that it proves necessary for the Joint Administrators to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted Expenses Estimate.

In summary, the Joint Administrators propose that their fees be set as a combination of fixed fee and percentage of recoveries. The fixed fee is proposed to be in the sum of £25,000 in respect of statutory and regulatory work which largely does not provide any financial benefit to the estate. The Joint Administrators also propose that their fees are also to be paid by percentage rate as set out at Appendix 7.

Further they propose that their fees for the subsequent liquidation are also to be set as a combination of a fixed fee of £20,000 and a percentage of funds for ultimate distribution to unsecured creditors.

In setting the level of the fixed fees, the Joint Administrators have given due consideration to the costs incurred in their experience of prior administration cases.

With regard to the consideration as to the level of percentage for each asset group, the Joint Administrators have reduced their expectations from those which could be sought in other insolvency matters for the following reasons:

- The Joint Administrators are mindful of agents, quantity surveyors and potentially solicitors' costs attached to asset groups;
- The assets are considered to be fully identified as set out in the Statement of Affairs due to the detailed pre-appointment work undertaken;

For the avoidance of doubt, creditors are being asked to approve the percentage rate for each asset group and the amount applied will reflect actual realisation.

Fixing the Joint Administrators' fees in this way provides creditors with certainty as regards the fees irrespective of developments in the Administration (although the Joint Administrators have a statutory right to seek creditors' approval to adjust the fee in the event that circumstances change materially) and, if the Joint Administrators were to charge their fees on the alternative basis of time costs incurred by them and their staff, it is very likely that this would result in a fee at least equal to, and likely in excess of, that proposed. On this basis, the Joint Administrators consider the proposed fee basis to be a fair and reasonable reflection of the work that they propose to undertake.

The proposed fees and the Expenses Estimate have been compiled on the assumptions set out below. Please note that these are assumptions only for the purposes of preparing the proposed fees and Expenses Estimate in accordance with the statutory provisions. It has been assumed that:

- investigations to the extent described in section 9 above will be carried out. No account has been taken on any potential assets which may arise as a result of the Joint Administrators' investigations;
- no exceptional work will need to be conducted in order to realise the remaining assets;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by this Proposal; and
- there will be no need to extend the Administration beyond the first anniversary of the Administration (prior to the automatic end of Administration without seeking an extension).

#### 15. THE JOINT ADMINISTRATORS' DISCHARGE

The Act requires that in the absence of a Committee the timing of the Joint Administrators' discharge from liability will be decided by the unsecured creditors. The Joint Administrators propose that this discharge will take effect when their appointment ceases to have effect, unless the court specifies a time.

#### 16. INVITATION TO FORM A CREDITORS' COMMITTEE

Attached at Appendix 8 is a Notice of Invitation to Form a Creditors' Committee. The purpose of the Committee is to assist the Joint Administrators in discharging their functions. In particular, a Creditors' Committee takes on the responsibility for approving the basis of the Joint Administrators' fees and other costs described above.

In the absence of a Committee, this responsibility falls to the unsecured creditors. The Joint Administrators do not see a need for a Committee to be formed in this case.

Notwithstanding this, creditors are entitled to seek the formation of Committee, provided that there are sufficient nominations to form a Committee. At least three nominations would be required and the requisite majority of creditors would also need to object to the proposed decision not to form a Committee. Appendices 8 and 9 provide further information on these steps.

## **17. APPROVAL OF THE STATEMENT OF PROPOSALS**

### **Proposals**

The Joint Administrators are proposing the decisions set out below by means of the process set out in Rule 15.7 (Deemed Consent) of the Rules. Creditors are not required to vote on these proposed decisions, but they may object to their approval. Please see the Notice Seeking Deemed Consent attached at Appendix 8 for further information.

- That the Joint Administrators' Proposals, be approved;
- That a Creditors' Committee will not be established; and
- That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time.

The Notice Seeking Deemed Consent at Appendix 8 describes how creditors may object to the acceptance of the Statement of Proposals or to the other proposed decisions.

Creditors who meet a statutory threshold as set out in the Notice can require that a physical meeting of creditors be convened. Such a request must be made to the Joint Administrators within 5 business days of the date on which the Statement of Proposals was delivered.

Unless the Joint Administrators receive the requisite number of objections to the proposed decision to approve the Statement of Proposals or of requests to convene a physical meeting as set out in the Notice, creditors will have deemed to have consented to approve the Statement of Proposals.

### **Joint Administrators' Remuneration and Costs**

In addition, the Joint Administrators are seeking creditors' approval of the proposed decisions set out below by means of a vote by correspondence. Creditors are invited to vote on these proposed decisions by completing and returning the enclosed voting form together with a proof of debt form, if one has not already been submitted. These forms are attached at Appendix 8 together with a Notice of Decision Procedure setting out the following proposed decisions:

- The Joint Administrators' fees are to be fixed in a set amount of £25,000 for the Administration and a set amount of £20,000 for the Liquidation in the event that the Company exits into Creditors' Voluntary Liquidation or Compulsory Liquidation and the Joint Administrators become the Joint Liquidators.
- In addition, a percentage of asset recoveries as outlined in the Joint Administrators' fees Proposal at Appendix 7. The percentage rates are to apply in the event that the Company exits into Creditors' Voluntary Liquidation or Compulsory Liquidation and the Joint Administrators become the Joint Liquidators.
- That the Joint Administrators be authorised to recover all Category 2 disbursements, calculated on the bases detailed in Poppleton & Appleby's Summary; and
- That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved.

The Joint Administrators must receive completed forms by no later than 23.59 on 29<sup>th</sup> April 2019 to enable your vote to be counted.

Whilst a vote by correspondence is being sought, creditors who meet a statutory threshold as set out in the Notice attached at Appendix 8 can require that a physical meeting of creditors be convened. Such a request must be made to the Joint Administrators within 5 business days of the date on which this Proposal was delivered. If you wish to request a physical meeting, please set out in writing which of the decision(s) above you wish the meeting to consider.

## STATEMENT OF AFFAIRS

Name of Company

Clovemead Limited

Company Number

01521707

In the

High Court of Justice, Business & Property Courts Manchester

Court case number

124 / 2019

Statement as to the affairs of

Clovemead Limited

16 Oxford Court

Bishopsgate

Manchester

on the 11 March 2019, the date that the company entered administration.

---

### Statement of Truth

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 11 March 2019 the date that the company entered administration.

Full Name

GRAHAM ROBERT HOLLAND

Signed



Dated

1<sup>st</sup> April 2019

# STATEMENT OF CONCURRENCE

Name of Company

Clovemead Limited

Company number

01521707

In the  
High Court of Justice, Business & Property  
Courts Manchester

(full name of court)

Court case number  
124 of 2019

(a) Insert full name and  
address of registered  
office of company to which  
statement of affairs relates

(b) Insert date statement of  
truth on the statement of  
affairs was made.

(c) Insert full name of  
person who made the  
statement of truth on the  
statement of affairs being  
concurrent with.

With regards to the Statement of Affairs of (a) **Clovemead Limited ('the company')**  
**16, Oxford Court, Bishopsgate, Manchester, M2 3WQ**

made on (b) **01 April 2019**

by (c) **Mr Graham Robert Holland**

## Statement of Truth

(d) Insert full name and

address of person making  
statement

\*Delete as applicable

I (d) **Mr Peter Saunders**

**Olive Mount, Welshmans Lane, Nantwich, CW5 6AB**

\*concur with the Statement of Affairs of the above company and I believe that the facts  
stated in the Statement of Affairs are a full, true and complete statement of the affairs of  
the company on the date that it entered administration.

~~OR-~~

~~\*concur with the Statement of Affairs of the above company, subject to the following  
qualifications-~~

(e) Please list matters in the  
statement of affairs which  
you are not in agreement  
with, or which you consider  
to be erroneous or  
misleading, or matters to  
which you have no direct  
knowledge and indicate  
reason for listing them.

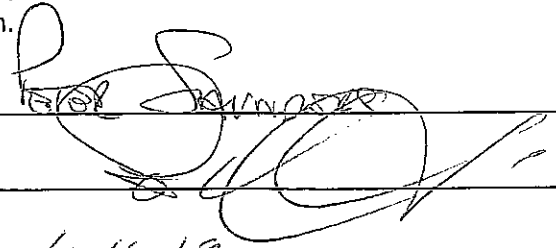
(e)

and believe that, subject to these qualifications, the facts stated in the statement of affairs  
are a full, true and complete statement of the affairs of the company on the date that it  
entered administration.

Full name

Signed

Dated

  
1. 4. 19.

## STATEMENT OF CONCURRENCE

Name of Company

Clovemead Limited

Company number

01521707

In the  
High Court of Justice, Business & Property  
Courts Manchester

(full name of court)

Court case number  
124 of 2019

(a) Insert full name and  
address of registered  
office of company to which  
statement of affairs relates

With regards to the Statement of Affairs of (a) **Clovemead Limited ('the company')**  
**16, Oxford Court, Bishopsgate, Manchester, M2 3WQ**

(b) Insert date statement of  
truth on the statement of  
affairs was made.

made on (b) **01 April 2019**

(c) Insert full name of  
person who made the  
statement of truth on the  
statement of affairs being  
concurrent with.

by (c) **Mr Graham Robert Holland**

### Statement of Truth

(d) Insert full name and

I (d) **Mr Geoffrey Michael Riding**

address of person making  
statement

**1 Hollowell Lane, Horwich, Bolton, Lancashire, BL6 6HF**

\*Delete as applicable

\*concur with the Statement of Affairs of the above company and I believe that the facts  
stated in the Statement of Affairs are a full, true and complete statement of the affairs of  
the company on the date that it entered administration.

~~OR~~

~~\*concur with the Statement of Affairs of the above company, subject to the following  
qualifications~~

(e) Please list matters in the  
statement of affairs which  
you are not in agreement  
with, or which you consider  
to be erroneous or  
misleading, or matters to  
which you have no direct  
knowledge and indicate  
reason for listing them.

(e)

and believe that, subject to these qualifications, the facts stated in the statement of affairs  
are a full, true and complete statement of the affairs of the company on the date that it  
entered administration.

Full name

Geoffrey Michael Riding

Signed

[Signature]

Dated

1 - 4 - 2019

# STATEMENT OF CONCURRENCE

Name of Company

Clovemead Limited

Company number

01521707

In the  
High Court of Justice, Business & Property  
Courts Manchester

(full name of court)

Court case number

124 of 2019

(a) Insert full name and address of registered office of company to which statement of affairs relates

(b) Insert date statement of truth on the statement of affairs was made.

(c) Insert full name of person who made the statement of truth on the statement of affairs being concurred with.

With regards to the Statement of Affairs of (a) **Clovemead Limited ('the company')**  
**16, Oxford Court, Bishopsgate, Manchester, M2 3WQ**

made on (b) **01 April 2019**

by (c) **Mr Graham Robert Holland**

## Statement of Truth

(d) Insert full name and

address of person making statement

\*Delete as applicable

I (d) **Mr Stewart Kevin Egan**

**14 School Lane, Rixton, Warrington, WA3 6LL**

\*concur with the Statement of Affairs of the above company and I believe that the facts stated in the Statement of Affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration.

~~OR~~

~~\*concur with the Statement of Affairs of the above company, subject to the following qualifications~~

(e) Please list matters in the statement of affairs which you are not in agreement with, or which you consider to be erroneous or misleading, or matters to which you have no direct knowledge and indicate reason for listing them.

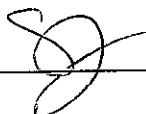
(e)

and believe that, subject to these qualifications, the facts stated in the statement of affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration.

Full name

STEWART KEVIN EGAN

Signed



Dated

01.04.2019

Clovemead Limited  
Statement Of Affairs as at 11 March 2019

**A - Summary of Assets**

Assets	Book Value £	Estimated to Realise £
<b>Assets subject to fixed charge:</b>		
<b>Assets subject to floating charge:</b>		
<b>Uncharged assets:</b>		
Freehold Land & Property	384,800.00	550,000.00
Leasehold Property - Widnes	59,796.00	NIL
Plant & Machinery	7,000.00	2,500.00
Furniture & Equipment	8,000.00	2,500.00
Motor Vehicles	67,500.00	38,000.00
Work in Progress	474,884.00	162,703.00
Book Debts	940,911.00	450,000.00
Cash in hand - Sale of Fuel Systems		19,986.00
Proceeds from sale of Signage Division		75,000.00
Retentions	148,108.00	29,622.00
Cash at Bank	207,352.00	207,352.00
<b>Estimated total assets available for preferential creditors</b>		<b>1,537,663.00</b>

Signature  Date 1<sup>st</sup> April 2019

Clovemead Limited  
Statement Of Affairs as at 11 March 2019

**A1 - Summary of Liabilities**

		Estimated to Realise £
<hr/>		
<b>Estimated total assets available for preferential creditors (Carried from Page A)</b>		1,537,663.00
<b>Liabilities</b>		
Preferential Creditors:-		
Employee Arrears/Hol Pay	24,498.00	
Pension Schemes	7,348.00	
		31,846.00
<b>Estimated deficiency/surplus as regards preferential creditors</b>		1,505,817.00
<hr/>		
Debts secured by floating charges pre 15 September 2003		
Other Pre 15 September 2003 Floating Charge Creditors		NIL
		1,505,817.00
<hr/>		
Estimated prescribed part of net property where applicable (to carry forward)		NIL
<b>Estimated total assets available for floating charge holders</b>		1,505,817.00
<hr/>		
Debts secured by floating charges post 14 September 2003		
		NIL
<b>Estimated deficiency/surplus of assets after floating charges</b>		1,505,817.00
<hr/>		
Estimated prescribed part of net property where applicable (brought down)		NIL
<b>Total assets available to unsecured creditors</b>		1,505,817.00
<hr/>		
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	708,508.00	
Redundancy & Notice Pay	416,907.00	
Sub-Contractor Tax	3,096.00	
Directors Loans	10,000.00	
Sub-Contractors Claims	936,013.00	
HMRC - PAYE & NIC	110,111.00	
HMRC - VAT	160,824.00	
		2,345,459.00
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)</b>		(839,642.00)
<hr/>		
<b>Estimated deficiency/surplus as regards creditors</b>		(839,642.00)
<hr/>		
Issued and called up capital		
Ordinary Shareholders	10,000.00	
		10,000.00
<b>Estimated total deficiency/surplus as regards members</b>		(849,642.00)
<hr/>		

Signature

Date

1<sup>st</sup> April 2019

**Poppleton & Appleby**  
**Clovenmead Limited**  
**B - Company Creditors**

Key	Name	Address	£
C100	Asputl Electrical Application	124-126 Frog Lane, Wigan, WN6 7DS	17,395.74
C101	Atlantic Solutions Limited	295 Gathurst Road, Orrell, Wigan, WN5 8QE	30,724.06
C102	A Carey & Son Limited	Caroline House, 146 Audenshaw Road, Audenshaw, M34 5HQ	190,980.31
C103	A Aspden Limited	5 Alexandra Place, Great Harwood, Blackburn, BB6 7RT	17,358.00
C104	Building Careers Limited	Chadwick House, White Moss Business Park, Skelmersdale, WN8 9TD	3,615.68
C105	Bloom Architects Limited	Floor 5, 120 Bark Street, Bolton, BL1 2AX	16,860.00
C106	Craggs Environmental Limited	The Craggs Country Business Park, New Road, Cragg Vale, Hebdon Bridge, West Yorkshire, HX7 5TT	1,644.00
C107	Martin Clegg	16 Eedale Road, Leigh, Lancs, WN7 2BD	1,020.00
C108	Crystal Architectural Alurn Limited	Unit 1 Mackeson Road, Ashton Under Lyne, Lancashire, OL6 8HZ	29,293.97
C109	Concept Advance Technology Limited	Concept House, Pickmere Lane, Wincham, Northwich, Cheshire, CW9	28,057.20
C10A	K Darlington & Son Limited	Margaret House, Huyton Road, Adlington, Chorley, PR7 4HD	12,819.62
C10B	Deotec Engineering Limited	Unit 5A Albion Works, Havannah Street, Congleton, CW12 2AQ	2,064.00
C10C	Eryk (UK) Limited	Units A20/A21, Bersham Enterprise Park, Plas Grono Road, Rhosyllen, Wrexham, LL14 4EG	413.01
C10D	Barry Egan	1 Southgrove Avenue, Sharples, Bolton, BL1 7HG	425.00
C10E	H & G Fainhurst Plastering	Unit 2, Balcedar House, Goulding Avenue, Leyland, PR25 3HE	37,417.33
C10F	Frontier AC Limited	2A Tollgate Court Business Centre, Tollgate Industrial Estate, Stafford, ST16	17,837.44
C10G	Floorstore (NW) Limited	Unit B Winegro House, Worthington Way, Wigan, WN3 6XE	8,489.19
C10H	Fireproof Fire Engineering Limited	The Old Brewery, 40 Coldhurst Street, Oldham, OL1 2BQ	8,742.00
C10I	Gilks (Nantwich) Ltd	10b Beam Street, Nantwich, Cheshire, CW5 5LP	44,748.70
C10J	Guideline Surface Marking Limited	The Store Room, Eastwood Works, Fitzwilliam Road, Rotherham, S65 1SL	4,284.72
C10K	Hart Door Systems Limited	Redburn Road, Westerhope Industrial Estate, Newcastle Upon Tyne, NE5 1PJ	50,833.20
C10L	Iain Hall Sealants Ltd	Unit 18, Castleton Close, Leeds, LS12 2DS	2,046.88
C10M	IPO Decorators Limited	76 Factory Street West, Atherton, Manchester, M46 0EF	8,775.41
C10N	Kirk Craig Limited	Merton Bank Road, St Helens, Merseyside, WA9 1HZ	15,453.50
C10O	L.I.S. (North Western) Limited	322 Haydock Lane, Haydock Industrial Estate, St Helens, Merseyside, WA11 9UY	1,035.00
C10P	Lees Industrial Services Limited	Unit 11 Haydock Lane, Haydock Lane Industrial Estate, St Helens, WA11 9UY	8,718.19
C10Q	Morson Human Resources Limited	Adamson House, Centenary Way, Salford, M50 1RD	9,028.80
C10R	Frederick G Markland Assoc Limited	Corby House, 38A Chorley New Road, Bolton, BL1 4AP	9,720.00

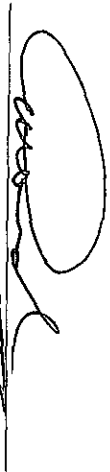
Signature



**Poppleton & Appleby**  
**Clovenmead Limited**  
**B - Company Creditors**

Key	Name	Address	£
C10S	Nett Of Liverpool Waters	7 Junction Road, Canada Dock Exchange, Liverpool, L20 8AF	40,759.20
C10T	Narford Scaffolding	Bens Yard, Bears Lane, Swaffham, PE37 7QB	450.00
C10U	PP Fabrications Limited	Unit 4 Fleet Lane Industrial Estate, Fleet Lane, Parr, St Helens, WA9 1TA	9,749.03
C10V	Parkfield Painting Contractors	Unit 4 Pidge Point, Ashcroft Road, Knowsley Industrial Park, Liverpool, L33 7TW	13,973.66
C10W	Pomfret Services Limited	Unit 9-11 Wholesale Market, Worthington Way, Wigan, WN3 6XE	77,536.58
C10X	Perfectionist Projects Limited	Unit G, Dittons Business Park, Dittons Road, Polegate, BN26 6HY	9,611.90
C10Y	Premier Flooring Installations	PO Box 603, Hull, HU9 9NZ	19,631.98
C10Z	Rootscape (NW) Limited	198B Portland Street, Birkdale, Southport, PR8 6LU	4,026.77
C110	Regional Building Control	M25 Business Centre, 121 Brooker Road, Waltham Abbey, EN9 1JH	1,260.00
C111	D Shawcross Limited	244 Warrington Road, Abrarn, Wigan, WN2 5RQ	8,370.00
C112	Site Engineering Personnel Limited	33 Sandy Lane, Skelmersdale, Lancashire, WN8 8LA	900.00
C113	Spectrum Freight Limited	PO Box 105, Chesterfield, Derbyshire, S41 9XY	7,815.00
C114	Stech Contracting Limited	Hawksdrum House, Marshfield Bank Industrial Estate, Crewe, CW2 8UY	11,918.95
C115	John T Stockton	3 Hayes Lane, Appleton, Warrington, WA4 3DA	900.00
C116	Ventilation Services (UK) Limited	Unit 6 Callender Place, Burslem, Stoke On Trent, Staffs, ST6 1JL	43,610.40
C117	Winton Flooring Limited	46 Buy Old Road, Whitefield, Manchester, M45 6TL	4,103.46
C118	Able Modular Technologies Limited	Unit 27 Rufford Court, Hardwick Grange, Warrington, WA1 4RF	2,814.15
C119	Abacus Lighting Limited	Oddicroft Lane, Sutton-in-Ashfield, Nottinghamshire, NG17 5FT	4,078.76
C11A	AAC Waterproofing Limited	Gaerwen Industrial Estate, Gaerwen, Anglesey, LL60 6HR	1,627.14
C11B	AT Commercial Interiors Limited	Tollgate Business Centre, Tollgate Drive, Stafford, ST16 3HS	836.87
C11C	Bramhall Flooring Limited	2-4 Milk Street, Hyde, Cheshire, SK14 1EH	143.10
C11D	Bullen Conservation Limited	Lowerhouse Works, Lowerhouse Street, Oldham, OL1 3NN	671.25
C11E	Bolton Steel Structures Limited	Unit 1B Pocket Nook Lane, Lowton, Warrington, WA3 1AW	1,805.07
C11F	Builidability Limited	Unit 2, Heys Lane Industrial Estate, Alan Ramsbottom Way, Great Harwood, BB6 7UR	2,172.53
C11G	Budworth Property Services Ltd	Suite 20D, The Genius Centre, Birchwood, Warrington, WA3 7BH	6,187.00
C11H	Buld Assist Limited	Unit 2 Heys Lane Industrial Estate, Alan Ramsbottom Way, Blackburn, BB6 7UR	47.34
C11I	Carl Allen Furnishing Limited	184/186 Langworthy Road, Salford, M6 5PN	214.25
C11J	Cadmen Screeding Limited	Cadmen House, Wharf Road, Sale, M33 2AF	365.80
C11K	Corona Contracts Limited	Unit 4A Hillthorpe Farm, Knoll Lane, Little Hooile, Preston, PR4 4TB	161.75
C11L	Peter Cox Limited	Aniseed Park, Broadway Business Park, Chadderton, OL9 0JA	340.70

Signature



**Poppleton & Appleby**  
**Clovenmead Limited**  
**B - Company Creditors**

Key	Name	Address	£
C11M	Cheshire Contracts Shopfitting	Imperial Works, 151 Bennett Street, Ardwick, Manchester, M12 5BH	228.32
C11N	Cadman & Manpen Systems Limited	Cadman House, Wharf Road, Sale, M33 2AF	467.00
C11O	Croft Control Limited	7 Penmark Close, Callands, Warrington, WA5 9TG	207.09
C11P	Dortek Limited	St Marks Street, Hull, HU8 7ED	216.68
C11Q	Dannar Interiors (NW) Limited	Unit 10, Albion Road Industrial Estate, Rochdale, OL11 4JB	3,840.91
C11R	Direct Civil Solutions Limited	46 Common Lane, Culcheth, WA3 4HA	1,228.52
C11S	Excel Business Environments Limited	Suites 1-5, 5 Bewsey Road, Warrington, WA2 7LN	76.06
C11T	Excel Trade Frames Limited	Unit 16 Worsley Business Park, Mostley Common Road, Boothstown, Worsley, M28 1NL	2,481.29
C11U	Ecogise Electrical Limited	Unit 51 Cannon Way, Claycliffe Business Park, Claycliffe Road, Baraugh Green, Barnsley, S75 1JU	205.75
C11V	Floor Form (NW) Limited	1A Sidney Road, Blackley, Manchester, M9 8AT	3,006.35
C11W	Felcon Limited	Unit 11 Euro Business Park, New Road, Newhaven, East Sussex, BN9 0DQ	1,344.75
C11X	Hamwood Roofing (Yorkshire) Limited	52 Lea Road, Bristol, Barley, Filnshire, WF17 8BB	1,356.05
C11Y	HB Surfacing Limited	10 White Wells Gardens, Scholes, Holmfirth, HD9 1TZ	933.84
C11Z	Hughes & Hilton Piling Limited	No 3 Martins Court, Hindley, Wigan, WN2 4AZ	719.00
C120	Internal Drywall Solutions Limited	2 The Pawfist Spinney, Westroughton, Bolton, BL5 2UN	4,449.56
C121	Ideal Aluminium System Limited	Unit 31 Eton Business Park, Eton Hill Road, Radcliffe, M26 2ZS	193.66
C122	Inspire Contracts Limited	220 Cocker Road, Meadow Works, Walton Summit, Preston, PR5 8BP	526.32
C123	JCW Floor Screeding Limited	Unit 32-34 Waters Meeting Development, Britannia Way, Bolton, BL2 2HH	544.68
C124	HS Jackson & Son (Fencing) Limited	Stowing Common, Ashford, Kent, TN25 6BN	567.85
C125	K2 Aluminium Systems Limited	2 Sovereign Way, Maritime Business Park, Birkenhead, Wirral, CH41 1AQ	324.47
C126	Lester Fab & Cladding Co Limited	Spencer Industrial Estate, Standard Road, Off Liverpool Road, Buckley, CH7 3LY	956.60
C127	Lifetime Ceiling Limited	Unit D2 King Street Retail Park, Farnworth, Bolton, BL4 7AS	3,921.59
C128	Linney Cooper Limited	Jubilee House, Builder Street, Llandudno, LL30 1DR	799.20
C129	Lewis & Hunter Contracting Limited	Lon Parcwr Industrial Estate, Ruthin, Denbighshire, LL15 1NA	925.00
C12A	MC-ES Electrical Services Limited	Unit K6 Taylor Business Park, Risley, Warrington, WA3 6BL	716.78
C12B	Mayfield Floors	Mayfield House, 34-36 Upper Brook Street, Stockport, SK1 3BP	484.76
C12C	Matrix Energy Systems Limited	Unit 7, Highgrounds Industrial Estate, Worksop, S80 3AF	1,575.00
C12D	McLennan Electrical	Unit K6, Taylor Business Park, Risley, Warrington, WA3 6BL	1,679.95
C12E	Nick Brookes Group	Wardle Industrial Estate, Wardle, Nantwich, CW5 6DB	259.00

Signature

**Poppleton & Appleby  
Clovermead Limited  
B - Company Creditors**

Key	Name	Address	£
C12F	NST Decorators Limited	8 Malvern Avenue, Atherton, Manchester, M46 9LP	1,849.06
C12G	North Wales Engineering Solution Ltd	14 Builder Street West, Llandudno, Conwy, LL30 1HH	593.29
C12H	North Wales Metal Roofing Limited	641 Queens Drive, Stoneycroft, Liverpool, L13 5UB	746.25
C12I	Planet Partitioning	Planet House, Edward Way, Burgess Hill, West Sussex, RH15 9TZ	567.15
C12J	Per-Fit Windows Limited	Langton House, Langton Street, Heywood, OL10 4LH	857.83
C12K	Prestige Alumin & Glazing Limited	Unit 5B/C New Mill, Wellington Mill, Quebec Street, Elland, HX5 9AS	273.65
C12L	Alan Pickup Decorators	Unit 1A, Fleet Lane Industrial Estate, Fleet Lane, Parr, St Helens, WA9 1TA	2,063.03
C12M	Profile Industrial Roofing Services Limited	Unit 50, Britannia Way, Britannia Enterprise Park, Lichfield, WS14 9UY	9,415.01
C12N	PME Projects Limited	Unit 10 Easter Court, Eurpoa Boulevard, Westbrook, Warrington, WA5 7ZB	2,644.35
C12O	Premier Flooring Installation Limited	PO Box 603, Hull, HU9 9NZ	879.09
C12P	Reccecia Limited	Unit 3, St Ives Way, Sandycroft, Flintshire, CH5 2QS	4,166.15
C12Q	Ruabon Sales Limited	Harford Tileries, Ruabon, Wrexham, LL14 6ET	356.90
C12R	RCT Building Services Limited	99A Eastbourne Road, Birkdale, Southport, PR8 4EH	920.25
C12S	Sleigh Limited	Pownall Street, Leigh, WN7 2HB	260.00
C12T	Sure Steel Services Limited	Unit 4 The Portland Centre, Sutton Road, St Helens, Merseyside, WA9 3DR	832.94
C12U	Seenco Workspace Limited	Harford Tileries, Ruabon, Wrexham, LL14 6ET	179.30
C12V	SRL Limited	Unit 1, The Old Dairy, Hill Street, Ashton-under-Lyne, OL7 0PZ	230.15
C12W	Shire Integrated Systems Ltd	88-90 High Street, Staple Hill, Bristol, BS16 5HL	2,075.30
C12X	Saxon Contracting (NW) Limited	22 Brunswick Road, Newton Le Willows, Merseyside, WA12 9EX	1,289.64
C12Y	Suttech Limited	Gogmore Lane, Chertsey, Surrey, KT6 9AP	715.16
C12Z	Shore Mechanical Services Limited	27-61 city Road, Stoke on Trent, Staffordshire, ST4 1DP	5,222.85
C130	Sylk Interior Systems Ltd	Moseley Hall Business Centre, Chelford Road, Knutsford, WA16 8RB	1,096.38
C131	Somerset Ground Works (Witral) Limited	104 Thurston Road, Witral, Merseyside, CH61 0HG	2,205.84
C132	UL Bonded Surfaces Limited	77-79 Liverpool Road, Manchester, M44 5AG	3,675.00
C133	Vanda Coatings	Unit 5A, Charnwood Park, Cios Marlon, Cardiff, CF10 4LJ	614.83
C134	Worsley Decorating Service Limited	22 St Marks Crescent, Worsley, Manchester, M28 7GF	53.91
C135	Wren Electrical Services Limited	Unit 7 The Workshops, Marcus Street, Birkenhead, CH41 1EU	245.02
C136	Wye Oak Timber Framing Limited	Unit 2B Sigerc Business Park, Fordshill Road, Rothenwas Industrial Estate, Hereford, HR2 6BQ	1,344.83
C137	Youngs Roofing Contractors Limited	11 Beverley Avenue, Appleton, Warrington, WA4 3BB	520.00

Signature

**Poppleton & Appleby  
Clovermead Limited  
B - Company Creditors**

Key	Name	Address	£
CA00	Arcon Construction Supplies	Unit 20, Prestwood Court, Leacroft Road, Birchwood, Warrington, WA3 6SB	78.00
CA01	AA Developments Limited	Upper Ground Floor, Farnum House, Basing View, Basingstoke, RG21 4EA	7.50
CA02	Able Mix Limited	PO Box 8641, Syston, Leicester, LE7	746.48
CA03	Alpine Tool Hire & Sales	1 Chester Road, Warrington, Cheshire, WA4 6BE	2,469.84
CA04	AMA Waste Management	Units 11 & 12, North Lynn Industrial Village, Bergen Way, Kings Lynn, Norfolk	528.00
CA05	Argus Security Systems Limited	3 Lord Street, Swinley, Wigan, WN1 2BN	558.00
CA06	Arnold Clark Limited	454 Hillington Road, Glasgow, G52 4FH	993.91
CA07	A1 Supaskips Limited	Unit 37 Lune Industrial Estate, Lancaster, LA1 5QP	2,444.12
CA08	Autoworld Limited	Delbridge Garage, Forbes Road, Faversham, Kent, ME13 8QE	3,301.28
CA09	Atlantic Electric Solutions Limited	295 Gathurst Road, Orrell, Wigan, WN5 8QE	144.00
CA0A	Altus UK LLP	180 Great Portland Street, London, W1W 5QZ	3,062.51
CA0B	Allstar Business Solutions Limited	PO Box 1463, Windmill Hill, Swindon, SN5 6PS	7,474.89
CA0C	Armatax Limited	Unit 2 Swinnow View, Leeds, LS13 4TZ	440.64
CA0D	Ace Automotive Southern Limited	2-4 Beatrice Road, Southampton, SO15 3GU	328.74
CA0E	Agora Business Publications LLP	Nesfield House, Broughton, Skipton, BD23 3AN	169.56
CA0F	Audi Farnborough	507 London Road, Camberley, GU15 3JE	19,873.10
CA0G	Adrian Waugh	c/o Regal Disposables, Unit 2, Shell Green, Widnes, WA8 0GW	0.01
CB00	Beers Timber & Building Supplies Limited	Boundary Street, Liverpool, L5 9UD	227.03
CB01	Beesley & Fildes Limited	Wilson Road, Huyton, Merseyside, L36 6AF	256.09
CB02	BT Business	Insolvency Department, Correspondence Centre, Durham, DH98 1BT	101.88
CB03	Biffa Waste Services Limited	PO Box 645, High Wycombe, HP12 3WF	222.80
CB04	Berrys Technologies Limited	141 Litchfield Road, Aston, Birmingham, B6 5SP	1,347.32
CB05	BSS Group Limited	PO Box 10433, Leicester, LE19 9DD	5,286.75
CB06	Barry's Skip Hire Limited	Railway Sidings, Bank Hall, Liverpool, L20 8JB	14.40
CB07	Hire Station Limited	72-75 Feeder Road, St Philips, Bristol, BS2 0TQ	114.83
CB08	B & M Waste Services	Iris House, Dock Road South, Bromborough, Wirral, CH62 4SQ	260.73
CB09	Bever Innovations BV	Industrieweg 32, 4301 RS Zierikzee, THE NETHERLANDS	20,874.10
CB0A	Big Yellow Self Storage Co Limited	961 Great West Road, Brentford, Middlesex, TW8 9FX	564.00
CB0B	BAPP Industrial Supplies (Lancs) Limited	The Trafalgar Centre, Belfield Road, Rochdale, OL16 2UX	1111.00
CB0C	Baylis House	Stoke Poges Lane, Slough, Berks, SL1 3PB	6.77

Signature

**Poppleton & Appleby  
Clovemead Limited  
B - Company Creditors**

Key	Name	Address	£
CB0D	Buy It Online Limited	Unit 7, Woolfold Industrial Estate, Mitchell Street, Bury, BL8 1SF	41.99
CB0E	British Gas Business	Spineyside, Penman Way, Grove Park, Leicester, LE19 1SZ	0.01
CC00	Cheshire Technology Solutions	6 Meeanee Drive, Nantwich, Cheshire, CW5 5JG	924.00
CC01	Carvallo Limited	Benjamin House, Dutton Green, Little Stannery, Chester, CH2 4SA	3,450.48
CC02	C.M.S Fork Trucks Limited	Holmsfield Road, Howley, Warrington, Cheshire, WA1 2DS	3,119.70
CC03	Centre Tank Services Limited	Unit 41 Minworth Industrial Park, Forge Lane, Minworth, Sutton Coldfield, B76 1AH	7,806.58
CC04	City Plumbing Supplies Limited	PO Box 10433, Leicester, LE19 9DD	147.31
CC05	Carr Faulkner Associates	1 St Mary's Walk, Chorley, Lancashire, PR7 2RT	1,140.00
CC06	CSTS Limited	Northern Office, Warrington Business Park, Long Lane, Warrington, WA2 8TX	141.60
CC07	Civils & Lintels	Suite 3, Unit 2, 11 Cambuslang Road Investment Park, Glasgow, G32 8NB	2,453.30
CC08	Carrier Rental Systems Limited	Porsham Close, Belliver Industrial Estate, Roborough, Plymouth, PL6 7DB	114.00
CC09	CITB	Levy & Grant Department, Birchan Newton, Kings Lynn, Norfolk, PE31 6RH	13,551.00
CC0A	Cook Fire & Security	20 Westgate, Morecambe, Lancashire, LA3 3LN	0.01
CD00	DRB Car Spares	25 Orford Green, Orford, Warrington, WA2 8PE	73.92
CD01	Dulux Decorator Centres	Bewsey Industrial Estate, Hoyle Street, Warrington, WA5 0LP	122.90
CD02	Direct Vehicle Glass Limited	Unit E2 Penrhyn Court, Penrhyn Road, Knowsley Business park, Liverpool, L34 9AB	744.00
CD03	Drainstore Limited	Unit 5 Delves Road, Heanor Gate Industrial Estate, Heanor, Derbyshire, DE75 7SJ	80.98
CE00	Eurocell Building Plastics Limited	Birchwood Way, Cotes Park Industrial Estate, Alfreton, Derbyshire, DE55 4QQ	2,264.30
CE01	Electric Centre	Divisional Credit Office, Arburg House, Tachbrook Park Drive, Warwick, CV34 6RH	180.23
CE02	Europoint	Holmes House, 27-30 Baker Street, Weybridge, Surrey, KT13 8AU	269.28
CF00	Fastec		120.72
CF01	Forrest Recruitment Ltd	Head Office, Langham Place, 296 Manchester Road, Warrington, WA1 3RB	1,976.31
CF02	Fibreelite Composites Limited	Snaygill Industrial Estate, Skipton, North Yorkshire, BD23 2QR	65.40
CF03	Fortis Solutions	Unit 7 Bookers Way, Todwick Road Industrial Estate, Dinnington, Sheffield, S25 3SH	22,001.57
CF04	Floorbrite Cleaning Contractors	Cranford House, Cranford Avenue, Sale, M33 2AU	3,966.33
CF05	Falcon Autotech	36A Queen Marys Avenue, Watford, WD18 7JP	502.62
CF06	FLS Finland OY	Voudinkatu 35a, 21200 Rasio, FINLAND	17,829.64
CG00	Gap Group Limited	Scottish Division, 40 Carrick Street, Glasgow, G2 8DA	6,108.79
CG01	Go Green (UK) Limited	River Torne House, Bawtry Road, Doncaster, DN4 7PB	1,128.00
CG02	Grundy Skip Hire	Waste Transfer Station, Pickering Road, Halebank, Widnes, WA8 8XW	1,945.00

Signature



**Poppleton & Appleby  
Clovermead Limited  
B - Company Creditors**

Key	Name	Address	£
CG03	Glorious Garden Services	128 Reynolds Street, Warrington, WA4 1TS	280.00
CG04	GSB Signs Limited	Appleton Village, Widnes, Cheshire, WA8 6EQ	350.28
CG05	G E Robinson & Co Limited	Thurlow Sawmills, Montford Street, Salford, M50 2XD	3,365.08
CG06	Graham Holland	c/o Brunel House, Vale Owen Road, Warrington, WA2 8NZ	5,000.00
CH00	HSS Hire Group Limited	Oakland House, 76 Talbot Road, Old Trafford, Manchester, M16 0PQ	2,166.07
CH01	Hilti (GT Britain) Limited	1 Trafford Wharf, Trafford Park, Manchester, M17 1BY	0.10
CH02	Hytex (GB) Limited	Delta House, Green Street, Epsenham, Herts, CM22 6DS	3,884.18
CH03	Halton Borough Council	Debtors Section, Municipal Building, Kingsway, Widnes, WA8 2SA	12,760.46
CH04	Hanson Aggregates	Accounts, PO Box 1828, The Ridge, Chipping Sodbury, Bristol, BS37 6WD	497.98
CH05	Howden Joinery Limited	c/o Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	1,055.67
CH06	Hobs Reprographics Limited	Accounts Dept, 14 Castle Street, Liverpool, L2 0NE	128.15
CH07	Hire Station Ltd	Fields Farm Road, Long Eaton, Nottingham, NG10 3FZ	859.76
CH08	Huws Gray Limited	Llangefni Industrial Estate, Llangefni, Anglesey, LL77 7JA	546.81
CH09	Hire-Equip (NW) Limited	Unit 1 The Oakfield Centre, Harling Road, Sharston Industrial Area, Manchester, M22 4UX	21.60
CH0A	Hotel Mariners	Mariners Square, Haverfordwest, Pembrokeshire, SA61 2DU	75.00
CH0B	Haldane Fisher	Liverpool Road, Ashton in Makerfield, Wigan, WN4 0YU	262.44
CH0C	H Jenkinson & Co Limited	Killing Road, Knowsley Business Park, Prescot, Merseyside, L34 9JR	1,959.82
CH0D	HM Revenue & Customs - VAT	Durington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	160,824.00
CH0E	HM Revenue & Customs - PAYE & NIC	Durington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	110,111.00
CH0F	HM Revenue & Customs - Sub Contractor Tax	Durington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	3,096.00
CI00	IJM Print Limited t/a WB & Gemini	c/o Bibby Financial Services, Third Floor, 8 Princes Parade, Liverpool, L3 1DL	36.00
CI01	Jewson Limited	c/o Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3ZF	5,040.15
CJ02	JWS Waste & Recycling Services Limited	Westport House, 35 Frederick Road, Salford, M6 6LD	909.00
CJ03	Jackson mechanical Services	34 Coldharbour Lane, Harpenden, Herts, AL5 4UN	693.90
CJ04	John Nixon Limited	Water Street, Newcastle Upon Tyne, NE4 7AX	241.92
CJ05	Joseph Parr Limited	Dunnings Bridge Road, Bootle, Merseyside, L30 6UU	147.39
CJ06	J K Ross Limited	Safety House, Kerfoot Street, Warrington, WA2 8NU	374.61

Signature

**Poppleton & Appleby  
Clovermead Limited  
B - Company Creditors**

Key	Name	Address	£
CJ07	James Wilby Limited	Walkley Lane, Heckmondwike, WF16 0PG	864.00
CJ08	Jardine Motor Group t/a Lancaster plc	Milton Keynes Audi, Northfield Drive, Milton Keynes, MK15 0DQ	16,567.00
CK00	Keyline Builders Merchants	PO Box 807, Kirkintilloch, Glasgow, G66 1XL	739.68
CK01	Kingspan Water & Energy	College Road North, Aston Clinton, Aylesbury, Bucks, HP22 5EW	2,698.52
CK02	Kingspan Environmental Services	College Road North, Aston Clinton, Aylesbury, Bucks, HP22 5EW	2,508.00
CK03	Kaufmann Ulm Lichtwebung	Max Eyth Strasse 36, 89231 NEU-ULM, GERMANY	142.53
CL00	Lord Of The Rungs	14 Brook Drive, Great Sankey, Warrington, WA5 1RY	498.00
CL01	Lynbrook Managed Services Limited	10 Prospect Place, East Pimbo, Skelmersdale, WN8 9QD	1,350.14
CL02	Lifetime Ceilings Limited	Unit 2D King Street Retail Park, Farnworth, Bolton, BL4 7AZ	2,250.00
CL03	LTSS Limited	Quatro House, Lyon Way, Frimley Road, Camberley, GU16 7ER	912.00
CM00	Mercer & Sons Limited	Pump Street Trade Centre, Pump Street, Blackburn, BB2 1PG	221.89
CM01	Marflex Limited	Unit 1 Forrest Way, Gateworth Industrial Estate, Warrington, WA5 1DF	1,693.81
CM02	M.C.C Fabrications Limited	Unit 13 Penketh Business Park, Cleveleys Road, Great Sankey, Warrington, WA5 2TJ	2,319.60
CM03	Manchester Doors & Cupbies	Units 6-11 Spartan Ind Estate, Brickhouse Lane, West Bromich, B70 0DH	2,145.84
CM04	Merlin Architectural Limited	c/o Restart BTI, 18 The Bridge Business Centre, Beresford Way, Chesterfield, Derbyshire, S41 9FG	2,415.96
CM05	Managed Recruitment Solutions		
CM06	Mastacab LLP	Solutions House, PO Box 233, Station Road, Oswestry, SY10 1DW	4,200.00
CM07	M/KM Building Supplies Limited	Park House, Bredbury Park Industrial Estate, Stockport, SK6 2TF	6,926.40
CN00	National Fleet	Unit 2 Winsford Way, Sealand Industrial Estate, Chester, CH1 4NL	5,257.59
CN01	Nick Brookes Recycling Limited	c/o National Tyre Service Limited, 26-32 Millbrae Road, Langside, Glasgow, G42 9TU	522.89
CN02	Nationwide Platforms	Wardle Industrial Estate, Green Lane, Wardle, Nantwich, CW5 6DB	1,400.42
CN03	NCS Fabrication Limited	15 Midland Court, Central Park, Luttworth, Leicester, LE17 4PN	1,923.04
CN04	NDC Services Limited	Ascot Drive, Derby, DE24 8ST	68,055.02
CN05	Newcastle County Council	Unit 4A Stantons Yard, Canal Bridge, Byfleet Road, New Haw, KT15 3JE	1,830.00
CO00	Orbital Fastners Limited	Barras Bridge, Newcastle upon Tyne, NE1 8QH	110.00
CO01	Orbital Direct	Olds Approach, Tolpits Lane, Walford, WD18 9XT	16.32
CP00	Plasmet Limited	Unit 2, 3 Charnwood Business Park, North Road, Loughborough, LE11 1LE	2,655.60
CP01	Purfleet Forecourt Services Limited	Barton Moss Road, Eccles, Manchester, M30 7RL	21,605.15
		Unit 2-3 Wheaton Road, Eastern Industrial Estate, Wheaton Road, Witham, Essex, CM8 3GF	11,500.95

Signature

**Poppleton & Appleby**  
**Clovermead Limited**  
**B - Company Creditors**

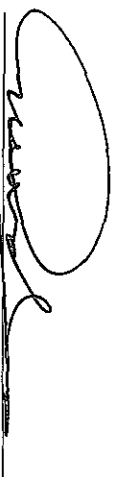
Key	Name	Address	£
CP02	Pandle Doors Limited	Anchor Mill, Moss Fold Road, Darwen, BB3 0AQ	8,348.37
CP03	PP Fabrications Limited	Unit 4, Fleet Lane Industrial Estate, St Helens, WA9 1TA	3,510.00
CP04	Premier Inn Business Account	Trinity Court, Broadlands, Wolverhampton, WV10 6UH	2,145.57
CP05	Premier Hire North West Limited	Unit 1 Expodite Factories, Stuart Road, Bredbury, Stockport, SK6 2SR	207.76
CP06	Plastic Formers Limited	Crownpoint South Industrial Park, King Street, Stockport Road, Denton, M34 9PF	315.96
CP07	Pearson Vue	The Lighthouse, 14 The Quays, Salford, M50 3BF	19.50
CP08	Parcellforce Worldwide	Payment Processing Centre, Rowland Hill House, Boythorpe Road, Chesterfield, S49 1HQ	560.27
CP09	Polymer Composite Asia	c/o Duncan Lewis, Spencer House, 29 Grove Hill Road, Harrow on the Hill, HA1 3BN	94,400.98
CP0A	Pro Licht Werbung GmbH	SCHINKELSTRASSE 4, D-31137 HILDESHEIM, GERMANY	9,132.26
CP0B	Pittek Crawley	Unit 5, Stockwell Trading Estate, Stephenson Way, Crawley, RH10 1TN	745.04
CP0C	Peter Cooper Volkswagen Group	381 Shirley Road, Southampton, Hampshire, SO15 3JD	16,406.50
CP0D	Peter Saunders	c/o Brunel House, Vale Owen Road, Warrington, WA2 8NZ	5,000.00
CR00	Rovewide Limited	via Central Self Drive, 20 Winwick Street, Warrington, WA2 7TS	72.00
CR01	RAC Motoring Services	Great Park Road, Bradley, Stoke, BS34 9EG	2,255.92
CR02	RB Architectural Hardware Limited	The Foundry Building 2-3, 15 Lydia Ann Street, Liverpool, L1 5BW	2,845.22
CR03	Readyfix Limited	Croft Street, Preston, PR1 8XD	1,897.87
CR04	Righton & Blackburns Limited	Manchester Service Centre, 6A Yew Tree Way, Golborne, Warrington, WA3 3JD	2,987.41
CR05	Rexel UK Limited	PO Box 15523, Birmingham, B16 6NF	1,561.76
CR06	Riverside College Halton	Kingsway Campus, Kingsway, Widnes, Cheshire, CH2 2LB	1,250.00
CS00	Speedy Asset Services Limited	Chase House, 16 The Parks, Newton Le Willows, Merseyside, WA12 0JQ	7,545.48
CS01	SPG UK Limited	15 Haydock Street, Warrington, Cheshire, WA2 7UW	9,898.23
CS02	S.P.A	Unit 3 The Court, Holywell Business Park, Northfield Road, Southam, CV47 0FS	379.20
CS03	Survey Express Services Limited	Unit 3C Tonbridge Works, Tonbridge Road, Harold Hill, Romford, Essex, RM3 8TS	198.00
CS04	Select A Skip Services Limited	Network House, Badgers Way, Oxon Business Park, Shrewsbury, SY3 5AB	522.00
CS05	Swift Personalised Products	Unit 10 Mainstream Way, Mainstream 47 Industrial Park, Devon Street, Salfrey, Birmingham, B7 4SN	413.22
CS06	Stanford Business Mapping	Suite 4, 4 Fountain Street, Manchester, M2 2AN	45.00
CS07	SDA Architects Limited	Manor Mills, Manor Road, Leeds, LS11 9AH	2,466.98
CS08	Smiths Equipment Hire Limited	De Havilland House, 15 & 16 The Pavilions, Avroe Crescent, Blackpool, FY4 2DP	149.40

Signature

**Poppleton & Appleby**  
**Clovenmead Limited**  
**B - Company Creditors**

Key	Name	Address	£
CS09	Soils & Stones Limited	Unit 9 Canbury Business Park, Elm Crescent, Kingston Upon Thames, KT2 6HJ	2,130.60
CT00	The Arco Group	PO Box 21, Waverley Street, Hull, HU1 2SJ	868.53
CT01	The Cardinals Hatt	Callington Road, Hatt, Saltash, Cornwall, PL12 6PJ	107.95
CT02	T E Hughes & Son Limited	33 Old Chester Road, Great Sutton, Ellesmere Port, Cheshire, CH66 3NZ	412.19
CT03	TG Builders Merchants Ltd	Wood Lane, Ellesmere, Shropshire, SY12 0HY	1,800.09
CT04	Travis Perkins Trading Co Limited	The Sales Ledger Department, 1st Floor Harvey's Building, Rye Hill Close, Northampton, NN5 7UG	14,990.35
CT05	Trade Glass Supplies Limited	Unit 2, Lythgoes Lane, Warrington, WA2 7XE	679.20
CT06	Tall Security Print Limited	2 Pembroke Court, Manor Park, Runcom, WA7 1TJ	442.80
CT07	TT Pumps Limited	Onneley Works, Newcastle Road, Wore, CW3 9RN	4,290.00
CT08	Turners Fabrications Limited	Wakerville Industrial Estate, Colburn, Catterick Garrison, North Yorkshire, DL9 4SA	41,437.57
CT09	Today Team Limited	7 Whitefield Court, Taylor Business Park, Warrington, WA3 6BL	295.20
CT0A	Taunton Deane Borough Council	The Deane House, Belvedere Road, Taunton, TA1 1HE	110.00
CT0B	The National Insurance Fund	Redundancy & Pay in lieu of Notice	416,907.00
CT0C	The National Insurance Fund	Holiday & Pension Contribution	31,846.00
CU00	UK Platforms Limited	HSS Hire, Oakland House, 76 Talbot Road, Old Trafford, M16 0PQ	39,582.02
CU01	UK IT Networks Limited	3 The Clocktower, Holmes Chapel, Cheshire, CW4 8DJ	90.16
CU02	UK Telematics Limited	Unit 6, Ash Road South, Blackwood Business Park, Wrexham, LL13 9UG	163.80
CV00	Vodafone Ltd	PO Box 6232, Newbury, RG14 9LF	282.67
CV01	Virgin Media Business	Business Payments, PO Box 4459, Worthing, BN13 1XP	76.49
CV02	Vink Lighting Solutions	Holmes House, 24-30 Baker Street, Weybridge, Surrey, KT13 8AU	1,165.68
CV03	Vizwear	Whelco Place, Enfield Street, Penberton, Wigan, WN5 8DB	111.06
CW00	Warrington Borough Council	New Town House, Buttermarket Street, Warrington, WA1 2NH	96.64
CW01	Warrington Chain Limited	Howley Quay, Howley Lane, Warrington, WA1 2DZ	114.91
CW02	Wolsley UK Limited	c/o Restart BTI, 18 The Bridge Business Centre, Beresford Way, Chesterfield, Derbyshire, S41 9FG	2,698.70
CW03	W.A.S.P Limited	Unit 2 Marston Court, Marston-Cum-Lache, Chester, CH4 9JT	26,930.40
CW04	Winton Flooring Limited	46 Bury Old Road, Whitefield, Manchester, M45 6TL	186.98
CW05	Warrington Engine Centre	Unit 18 Manor Industrial Estate, Lower Wash Lane, Warrington, WA4 1PL	433.67
CW06	Wurth UK Limited	1 Centurion Way, Erith, Kent, DA18 4AE	37.42

Signature



**Poppleton & Appleby  
Clovemead Limited  
B - Company Creditors**

Key	Name	Address	£
CW07	William B Rose & Associates	54 Welsh Row, Nantwich, Cheshire, CW5 5EJ	120.00
CW08	Water Plus Limited	PO Box 12459, Harlow, CM20 9PH	1,014.44
CW09	WS Transportation Limited	Ashville Way, Ashville Way Industrial Estate, Sutton Weaver, Runcorn, WA7 3EZ	12,330.00
CW0A	Weid Smart Limited	Unit 7 Valley Forge Business Park, Reedford Road, Nelson, Lancashire, BB9 8TU	20,487.16
CW0B	Woods Building Services Limited	Alma Street, St Helens, Merseyside, WA9 3AR	660.00
CW0C	Waterplus	Two Smithfield, Leonard Coates Way, Stoke-on-Trent, ST1 4FD	816.41
<b>293 Entries Totalling</b>			<b>2,377,304.74</b>

Signature



**Poppleton & Appleby  
Clovermead Limited  
C - Shareholders**

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HG00	Graham Robert Holland		Ordinary	0.01	5,000	5,000.0025,000,000.00	
HP00	Peter Saunders		Ordinary	0.01	5,000	5,000.0025,000,000.00	
2 Ordinary Entries Totalling				0.01	10,000		

Signature



## APPENDIX 2. FINANCIAL STATEMENTS AND ACCOUNTING HISTORY

Extracts from the Company's published financial statements for the 3 years ended 31<sup>st</sup> December 2015, 2016 and 2017 are shown below. Also, extracts from the Company's internal management accounts in respect of the 9 months ended 30<sup>th</sup> September 2018 are shown.

Please note that this information has not been verified by the Joint Administrators or by Poppleton & Appleby. Furthermore, the comments below each table reflect management's explanations of the amounts included in the profit and loss account and balance sheet.

### Summary Profit and Loss Account

	Draft Management Accounts p/e 30/9/18 £	Financial Statement Year ended 31/12/17 £	Financial Statement Year ended 31/12/16 £	Financial Statement Year ended 31/12/15 £
Turnover	6,632,671	11,932,208	11,975,176	12,858,996
Cost of Sales	<u>5,478,137</u>	<u>9,426,569</u>	<u>9,365,505</u>	<u>10,000,573</u>
Gross Profit	1,154,534	2,505,639	2,609,671	2,858,423
Administrative Expenses	<u>1,684,474</u>	<u>2,695,722</u>	<u>2,605,725</u>	<u>3,049,779</u>
Net Profit (Loss)	(530,140)	(190,083)	3,946	(191,356)
Tax		<u>( 3,100)</u>	<u>1,900</u>	<u>13,400</u>
Net Profit (Loss) For Year		<u>(193,183)</u>	<u>5,846</u>	<u>(177,956)</u>

Source: Management/Audited Accounts

There are no management accounts available for the period since 30<sup>th</sup> September 2018.

### Summary Balance Sheet

	Draft Management Accounts p/e 30/9/18 £	Financial Statement Year ended 31/12/17 £	Financial Statement Year ended 31/12/16 £	Financial Statement Year ended 31/12/15 £
Tangible Assets	<u>612,258</u>	<u>718,647</u>	<u>736,368</u>	<u>569,262</u>
Current Assets	2,335,498	2,730,698	3,295,369	3,194,815
Creditors Falling Due within 1 Year	<u>2,118,416</u>	<u>2,036,670</u>	<u>2,423,273</u>	<u>2,231,828</u>
Net Current Assets	<u>217,082</u>	<u>694,028</u>	<u>872,096</u>	<u>962,987</u>
Total Assets				
Less Liabilities	<u>818,441</u>	<u>1,348,583</u>	<u>1,551,768</u>	<u>1,513,722</u>
Capital – Reserves				
-Called up share capital	10,000	10,000	10,000	10,002
-Revaluation Reserve	252,993	252,993	256,830	216,830
-Capital Redemption Res	2	2	2	-
-Profit & Loss Account	<u>555,446</u>	<u>1,085,588</u>	<u>1,284,936</u>	<u>1,286,890</u>
	<u>818,441</u>	<u>1,348,583</u>	<u>1,551,768</u>	<u>1,513,722</u>

**Clovemead Limited**  
(In Administration)  
**Joint Administrators' Estimated Outcome Statement**

Statement of Affairs £	Realised / Paid	Projected	Total £
<b>PROJECTED ASSETS REALISATIONS</b>			
550,000.00	Freehold Property	0.00	550,000.00
0.00	Leasehold Property	0.00	0.00
2,500.00	Plant & Machinery	0.00	2,500.00
2,500.00	Furniture & Equipment	0.00	2,500.00
38,000.00	Motor Vehicles	0.00	38,000.00
162,703.00	Work in Progress	0.00	162,703.00
450,000.00	Book Debts	4,744.10	445,255.90
19,986.00	Cash in Hand - Sale of Fuel Systems	19,986.00	0.00
75,000.00	Proceeds of Sale of Signage Division	75,000.00	0.00
29,622.00	Retentions	0.00	29,622.00
207,352.00	Cash at Bank	0.00	207,352.00
1,537,663.00	Surplus c/d	99,730.10	1,437,932.90
			1,537,663.00
<b>ESTIMATED COST OF REALISATIONS</b>			
	Specific Bond	(1,520.00)	0.00
	Poppleton & Appleby - Pre Appointment Fee	0.00	(30,000.00)
	Joint Administrators Fees	0.00	(160,997.15)
	Joint Administrators Expenses	0.00	(200.00)
	Solicitors Pre Appointment Costs	0.00	(12,659.40)
	Solicitors Costs	0.00	(15,166.60)
	Estate Agents Fees - Warrington Property	0.00	(11,000.00)
	EPC Costs Re Warrington Property	0.00	(350.00)
	Agents and Valuers Fees - Pre Appointment	0.00	(6,000.00)
	Agents and Valuers Fees - Charterfields	0.00	(7,000.00)
	Employee Claim Costs	0.00	(1,437.50)
	Waste Disposal Costs	(587.50)	0.00
	Quantity Surveyors Fees Pre Appointment	0.00	(2,282.50)
	Quantity Surveyors Fees	(2,723.50)	(3,300.00)
	Storage of Records	0.00	(3,600.00)
	Bank Charges	0.00	(100.00)
	Alarm Maintenance	(116.25)	0.00
	Accountancy Fees	(390.80)	0.00
	Statutory Advertising	(87.48)	(109.00)
	Rent Re Widnes Lease	0.00	(26,000.00)
	IT Costs	(75.00)	(250.00)
	Insurance of Assets	0.00	(5,000.00)
	Gas, Electricity & Water Charges - Widnes	0.00	(1,100.00)
	Rates Re Widnes Lease	0.00	(8,340.00)
	Joint Liquidators Fixed Fee	0.00	(20,000.00)
	Joint Liquidators Fees on Distribution at 2.5%	0.00	(28,750.00)
	Joint Liquidators Expenses	0.00	(100.00)
	<b>Available for Preferential Creditors</b>	94,229.57	1,094,190.75
			1,188,420.47
<b>PREFERENTIAL CREDITORS</b>			
(24,498.00)	Employee Related Preferential Claims	(24,498.00)	(24,498.00)
(7,348.00)	Pension Scheme	(7,348.00)	(7,348.00)
	Residual Employee Preferential Claims	(6,000.00)	(6,000.00)
1,505,817.00	<b>Surplus Available For Unsecured Creditors</b>	1,056,344.75	1,150,574.47
<b>UNSECURED CREDITORS</b>			
(708,508.00)	Trade Creditors	0.00	(708,508.00)
(416,907.00)	Employee Holiday Pay & Redundancy Claims	0.00	(416,907.00)
(3,096.00)	Sub-Contractor Tax	0.00	(3,096.00)
(10,000.00)	Directors' Loans	0.00	(10,000.00)
(936,013.00)	Sub-Contractors Claims	0.00	(936,013.00)
(160,824.00)	HM Revenue & Customs: VAT	0.00	(160,824.00)
(110,111.00)	HM Revenue & Customs: PAYE & NIC	0.00	(110,111.00)
0.00	Residual Employee Unsecured Claims	0.00	(10,000.00)
(839,642.00)	<b>Estimated Deficiency to Unsecured Creditors</b>	(1,299,114.25)	(1,204,884.53)

Estimated return to creditors

49%

**Clovemead Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 11/03/2019 To 10/04/2019 £	From 11/03/2019 To 10/04/2019 £
	<b>ASSET REALISATIONS</b>		
550,000.00	Freehold Land & Property	NIL	NIL
NIL	Leasehold Property - Widnes	NIL	NIL
2,500.00	Plant & Machinery	NIL	NIL
2,500.00	Furniture & Equipment	NIL	NIL
38,000.00	Motor Vehicles	NIL	NIL
162,703.00	Work in Progress	NIL	NIL
450,000.00	Book Debts	4,744.10	4,744.10
19,986.00	Cash in hand - Sale of Fuel Systems	19,986.00	19,986.00
75,000.00	Proceeds from sale of Signage Divisio	75,000.00	75,000.00
29,622.00	Retentions	NIL	NIL
207,352.00	Cash at Bank	NIL	NIL
	Refund of Customs Consignor Costs	NIL	NIL
		<u>99,730.10</u>	<u>99,730.10</u>
	<b>COST OF REALISATIONS</b>		
	Waste Disposal	587.50	587.50
	Quantity Surveyors Fees	2,723.50	2,723.50
	Alarm Maintenance	116.25	116.25
	Accountancy Fees	390.80	390.80
		<u>(3,818.05)</u>	<u>(3,818.05)</u>
	<b>PREFERENTIAL CREDITORS</b>		
(24,498.00)	Employee Arrears/Hol Pay	NIL	NIL
(7,348.00)	Pension Schemes	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>UNSECURED CREDITORS</b>		
(708,508.00)	Trade & Expense Creditors	NIL	NIL
(416,907.00)	Redundancy & Notice Pay	NIL	NIL
(3,096.00)	Sub-Contractor Tax	NIL	NIL
(10,000.00)	Directors Loans	NIL	NIL
(936,013.00)	Sub-Contractors Claims	NIL	NIL
(110,111.00)	HMRC - PAYE & NIC	NIL	NIL
(160,824.00)	HMRC - VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(10,000.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(849,642.00)</b>		<b><u>95,912.05</u></b>	<b><u>95,912.05</u></b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		327.75
	Bank 1 Current		95,608.30
	Vat Payable		(24.00)
			<u><b>95,912.05</b></u>



Joint Administrator

## CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT EFFECTIVE FROM 1<sup>ST</sup> JUNE 2017

### Introduction

Current insolvency legislation provides for the manner in which insolvency practitioners' fees and disbursements are charged in insolvency assignments. The legislation permits insolvency practitioners to seek the bases for their fees on a time cost basis, a percentage of realisation basis, on a fixed fee basis or on a mix of these bases.

The basis of fees for each individual insolvency appointment are subject to approval by a committee of creditors if appointed, failing which by creditors in a decision-making process or by the Court. Further information regarding the approval of office holders' fees in insolvency cases can be found within Statement of Insolvency Practice 9 (SIP9), please see under further information at the foot of this document for information on how to download guides to fees.

Once the basis of office holders' fees has been approved it is reported to any committee and to creditors generally within the next statutory report.

### Fixed Fee Basis

It is possible for an insolvency practitioner to seek to be paid on a fixed fee basis. Where this is the case, further information will be provided to explain why this would be considered appropriate.

### Percentage Basis

The legislation provides for fees to be charged on a percentage of the value of property with which an insolvency practitioner deals with. Different percentages can be used for different assets or types of assets. When seeking creditor approval for this basis, further information will be provided for creditors to judge the appropriateness of this basis.

### Time Cost Basis

Insolvency Practitioners are permitted to seek approval for their fees to be paid on a time cost basis. This is based on hours spent by office holders and their staff in dealing with matters relating to the particular insolvency or specific activities within a case where time costs are sought. When seeking resolutions for fees to be paid on a time cost basis, stakeholders will be provided with a full explanation as to why time costs are considered appropriate together with sufficient information to assist in their making an informed judgement of the office holders' requests.

Partners and staff are allocated an hourly charge out rate which is reviewed annually. The current charge out rates of this Firm are set out as follows:

Grade of Staff	Hourly Chargeout Rate
Office Holder (Partner)	£350.00
Office Holder (Non Partner)	£325.00
Senior Manager	£275.00
Manager	£225.00
Administrator	£160.00
Cashier	£165.00
Trainee/Support Staff	£ 80.00

### Staff Allocation and the Use of Sub-Contractors

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

The constitution of the team allocated to insolvency assignments will usually consist of an Office Holder, a Senior Manager and/or Manager and an Administrator or Assistant. The exact constitution of a case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rates scheduled above provides details of all grades of staff and their respective experience levels.

It is not this Firm's policy to sub-contract out any services or tasks which can be provided by this Firm.

### Professional Advisors

It is usual in insolvency cases that specialist professional advisors are engaged to advise on matters which are case specific. Ordinarily but not exclusively these will include solicitors, employment law consultants, asset agents and accountants. Stakeholders will be advised of such advisors which could be expected to be used within a case together with an expected fee arrangement.

Our choice will be based on our perception of their qualification, experience and ability to perform the type of work sought including the complexity and nature of the assignment upon which they are asked to assist.

### Expenses and Disbursements Policy

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories and are disclosed to creditors in the appropriate reports. In each case the recharge will be reimbursed on a quarterly basis.

#### Category 1

- Category 1 disbursements relate to expenses where this Firm has met a specific cost in respect of the insolvent estate where payment has been made to a third party where the expenditure is directly referable to the appointment in question. These may include items such as legal notices, bond premiums, searches at Companies House, etc. In each case the recharge will be reimbursed on a quarterly basis. It is not necessary for creditors to approve Category 1 disbursements.

#### Category 2

- These are expenses and disbursements incurred by this Firm which may include an element of shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as office holder's remuneration prior to being drawn from the individual insolvency estate.
- This Firm will seek to recover Category 2 disbursements in respect of the following:

Storage of records (per box per quarter) (when not rechargeable as a Category 1 expense)	£6.00
Partner/staff mileage (per mile)	£0.45

### VAT

VAT at the prevailing rate is applied to office holders' fees and disbursements. In Company and Individual Voluntary Arrangements, VAT may not apply following the decision in PAYMEX versus HMRC.

### FURTHER INFORMATION: Creditors Rights

SIP9 provides information for creditors in relation to the fees charged by Office Holders. These can be accessed from our website:

<http://www.pandanorthern.co.uk/your-questions-answered/documents/>

Alternatively, a copy can be provided by request to either office.

**16 OXFORD COURT  
BISHOPSGATE  
MANCHESTER M2 3WQ**

TEL 0161 228 3028  
FAX 0161 228 2335

**THE MEDIA CENTRE  
7 NORTHUMBERLAND STREET  
HUDDERSFIELD HD1 1RL**

TEL 01484 437 432  
FAX 01484 483 100

Charles M Brook, Allan C Cadman, Michelle L Chatterton and Stephen J Wainwright are authorised by the Insolvency Practitioners Association to take insolvency appointments in the United Kingdom. Partners or employees acting as Liquidator or Administrator do so as agents of the company to which they are appointed and without personal liability.

Poppleton & Appleby is the trading style of Churchill Corporate Solutions LLP which is a limited liability partnership registered in England and Wales, registered number OC393802. Registered Office: St Crispins House, St Crispins Way, Haslingden, Lancashire BB4 4PW. A full list of members is available for inspection at 16 Oxford Court, Bishopsgate, Manchester, M2 3WQ

WEB [pandanorthern.co.uk](http://www.pandanorthern.co.uk)

## **APPENDIX 6. POPPLETON & APPLEBY SUMMARY OF PRE-APPOINTMENT WORK**

The Joint Administrators are seeking to be paid fees for work done prior to the Administration on the basis of a fixed fee of £35,000 plus VAT and necessary related expenses. Set out below are tasks included within the pre-appointment work and which were considered to be necessary for placing the Company into Administration.

All of the work detailed below had to be undertaken prior to the formal appointment of the Joint Administrators as much of it form the basis of an up to date assessment of the Company's financial position which was required in order that recommendations could be made to the board of directors.

The work was necessary in order to enhance recoveries for the benefit of creditors, both from the pre-pack sale of the Signage division and the prior sale of Fuel Lines division which provided value consideration and the associated transfer of staff which reduced the Company's potential liabilities in respect of redundancy by a considerable sum. Had this work not been carried out, then the Company faced a close down scenario and the associated erosion of asset values together with the redundancy costs. The work done prior to the Joint Administrators' appointment also enabled a negotiation to take place with the Company's customers which has the benefit of securing payments due to the Company on its existing contracts.

The achievement of the statutory Administration objective as set out in section 6 of the report has only been facilitated by the work done prior to the Joint Administrators' appointment.

Without this work, it is likely that the Company would have faced inevitable liquidation and a far worse position for creditors.

### **Administration & Planning**

#### **Formalities**

- The establishment of case files;
- Preparation of Board Minutes;
- Recording the directors' decision to appoint Administrators;
- Preparing letters of engagement to the directors;
- Reviewing and submitting Notices of Intention to appoint Joint Administrators to solicitors for Court filing and statutory notice to prescribed bodies;
- Reviewing and sending appointment documents to solicitors acting for the Joint Administrators ahead of their appointment;
- Review and execution of appointment documents;
- Attending to SIP16 formalities

#### **Case Strategy/Planning**

- Telephone conversations, emails and meetings with the directors concerning the options available to the Company and subsequent recommendation of Administration;
- Internal conflict review;
- Complying with anti-money laundering and anti-bribery regulations;
- Collating information from the Company;
- Strategy meetings with the P&A team;
- Liaising with professional advisors to the Company;
- Liaising with agents regarding marketing strategy;
- Consulting with independent quantity surveyor regarding ongoing contracts

#### **Directors' Communication**

- Telephone conversations and emails with the directors of the Company;

#### **Directors' Meetings**

- Meetings to provide initial advice to the directors and to give recommendations of the best option available;
- Strategic meetings regarding the collation of information and assessment of the business;
- Attendance at meetings to conclude the formalities of Administration appointment

#### Statutory Reporting to Creditors

- Preparation of documentation to be circulated to creditors as soon as practicable following appointment;
- SIP16 formalities;

#### Unsecured Creditors

- Collating creditor information and input into the Joint Administrators' electronic system;
- *Attending to creditor queries by telephone and email;*

#### Secured Creditor

- Liaising with Bank of Scotland regarding deed of release and operation of the Company's bank account;
- Obtaining confirmation that no sums are due;

#### Realisation of Assets

##### Identifying/Securing and Insuring

- Issuing formal instruction to Charterfields in respect of marketing, valuation and reporting on the assets of the Company;
- Liaising with agents and directors regarding marketing of the business and dealing with any interested parties;
- Review of hire purchase agreements in respect of certain vehicles and agents' advice to settle thus releasing equity;

##### Book Debts & Work In Progress

- Formal instruction of Q-Consult, quantity surveyors to provide professional advice and to assist in the valuation of current work;
- Reviewing the Company's sales ledger;
- Reviewing contracts in progress and liaising with contractors and quantity surveyors and also directors and senior employees;

##### Business Sales

- Review of the Company's sale of Fuel Lines division to Craggs and assessment that it was in the best interest of creditors;
- Negotiation with the directors, agents and representatives of Toureen Group regarding the pre-pack sale of Signage division;
- Providing information to solicitors to prepare the sale and purchase agreement and licence to occupy;
- Review of sale and purchase agreement;
- Consideration that the sale would provide the best outcome for creditors;
- Acceptance of offer for Signage division;
- Consideration to the position of divisional employees and impact of transfer to purchasers;

##### Leasehold Property

- Liaising with landlord;
- Negotiation and review of licence to occupy;

## APPENDIX 7. INFORMATION TO SUPPORT THE JOINT ADMINISTRATORS' FEE PROPOSAL

### a) Full description of work to be undertaken

The Joint Administrators are proposing to charge a fixed fee of £25,000 plus VAT in respect of the work undertaken in the following table. Much of the following is mandatory work required by regulation and statute and brings little or no additional tangible benefit to the estate.

General Description	Includes
<b>Administration (including statutory reporting)</b>	
<b>Statutory/advertising</b>	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements
<b>Document maintenance/file review/checklist</b>	Filing of documents Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
<b>Bank account administration</b>	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
<b>Planning / review</b>	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
<b>Books and records / storage</b>	Dealing with records in storage Sending case files to storage
<b>Creditor reports</b>	Disclosure following pre-pack sale of assets SIP 16 & 13 Preparing proposal, six monthly progress reports, conversion to CVL (where appropriate) and final report Seeking extension via creditors (where appropriate) Proposing further fee approval (where the fees estimate is not for the administration of the case to conclusion)
<b>Creditors' decisions</b>	Preparation of decision notices, proxies/voting forms Collate and examine proofs and proxies/votes to establish decisions Consider objections received and requests for physical meeting or other decision procedure Responding to queries and questions following decisions Issuing notice of result of decision process

<b>Investigations</b>	
<b>SIP 2 Review</b>	<p>Collection, and making an inventory, of company books and records</p> <p>Correspondence to request information on the company's dealings, making further enquiries of third parties</p> <p>Reviewing questionnaires submitted by creditors and directors</p> <p>Reconstruction of financial affairs of the company</p> <p>Reviewing company's books and records</p> <p>Preparation of deficiency statement</p> <p>Review of specific transactions and liaising with directors regarding certain transactions</p> <p>Liaising with the committee/creditors or major creditors about further action to be taken</p>
<b>Statutory reporting on conduct of director(s)</b>	<p>Preparing statutory investigation reports</p> <p>Liaising with the Insolvency Service</p> <p>Submission of report to the Insolvency Service</p> <p>Preparation and submission of supplementary report (if required)</p> <p>Assisting the Insolvency Service with its investigations</p>
<b>Examinations</b>	<p>Preparing brief to solicitor</p> <p>Liaising with solicitor(s) regarding examinations</p> <p>Attendance at examination</p> <p>Reviewing examination transcripts</p> <p>Liaising with solicitor(s) regarding outcome of examinations and further actions available</p>
<b>Litigation / Recoveries</b>	<p>Strategy meeting regarding litigation</p> <p>Seeking funding from creditors</p> <p>Reviewing terms of solicitors' conditional fee agreements</p> <p>Preparing brief to solicitors/Counsel</p> <p>Liaising with solicitors regarding recovery actions</p> <p>Dealing with ATE insurers</p> <p>Attending to negotiations</p> <p>Attending to settlement matters</p>
<b>Creditors (claims and distribution)</b>	
<b>Creditor communication</b>	<p>Receive and follow up creditor enquiries via telephone</p> <p>Review and prepare correspondence to creditors and their representatives via facsimile, email and post</p> <p>Assisting employees to pursue claims via the RPO</p> <p>Corresponding with the PPF and the Pensions Regulator</p>
<b>Dealing with proofs of debt ('POD')</b>	<p>Receipting and filing POD when not related to a dividend</p> <p>Corresponding with RPO regarding POD when not related to a dividend</p>
<b>Distribution procedures</b>	<p>Receipt of preferential claims</p> <p>Agreement of preferential claims</p> <p>Prepare distribution calculation</p> <p>Preparation of cheques/BACS to pay distribution</p> <p>Preparation of correspondence to creditors enclosing payment of distribution</p>

	Seeking unique tax reference from HMRC, submitting information on PAYE/NI deductions from employee distributions and paying over to HMRC Dealing with unclaimed dividends
<b>Creditors' Committee</b>	<b>Only applies if a Committee is formed</b> Holding an initial meeting of the Committee Reporting to committee members Seeking the committee's approval on case strategy Calling and holding meetings of the committee as required and the circumstances of the case dictate

### Asset Realisations

The Joint Administrators propose to charge percentage of asset realisations as per the following table (table 1). The percentage rates selected are set out to take into consideration both the perceived degree of difficulty in respect of each asset group and also the consideration that agents and quantity surveyors will have input into the recovery and charge accordingly.

As a guide the table shows predicted fees based on the estimated to realise figures in the Statement of Affairs. For the avoidance of doubt the fees will reflect actual realisations and creditors are being asked to approve the percentage rates.

**Table 1**

ASSETS PER S OF A	BOOK VALUE £	ESTIMATED. TO REALISE £	RATE %	FEES PREDICTED £
Property - Warrington	384,800.00	550,000.00	5	27,500.00
Plant & Machinery	7,000.00	2,500.00	10	250.00
Furniture & Equipment	8,000.00	2,500.00	10	250.00
Motor Vehicles	67,500.00	38,000.00	10	3,800.00
Work in Progress	474,884.00	162,703.00	15	24,405.45
Book Debts	940,911.00	450,000.00	10	45,000.00
Cash in Hand – Fuel Systems		19,986.00	10	1,998.60
Proceeds from sale of Signage (Plus Licence to Occupy - Widnes)		75,000.00	20	15,000.00
Retentions	148,108.00	29,622.00	25	7,405.50
Cash at Bank	207,352.00	207,352.00	5	10,367.60
<b>Total Post Appointment Fee Estimate</b>	<b>2,238,555.00</b>	<b>1,537,663.00</b>		<b>135,977.15</b>

The work to be undertaken in asset realisation includes the following but this is not an exhaustive schedule:

Realisation of Assets	
<b>Sale of Business as a Going Concern</b>	Receipt of funds from pre-pack sale and previous sale by Company Agreeing licences to trade/occupy Exchanges with solicitors to agree sale and purchase agreement

	Surrender of lease (where appropriate)
Plant and machinery; office furniture and equipment and motor vehicles	<p>Liaising with valuers, auctioneers and interested parties</p> <p>Reviewing asset listings</p> <p>Consideration of mode of sale</p>
Freehold/Leasehold Property	<p>Liaising with valuers and agents on marketing strategy and offers received</p> <p>Dealing with tenant issues (if any)</p> <p>Liaising with secured creditors and landlords</p> <p>Agreeing assignment or surrender</p>
Debtors and retentions	<p>Collecting supporting documentation</p> <p>Correspondence with debtors</p> <p>Reviewing and assessing debtors' ledgers</p> <p>Liaising with quantity surveyor and solicitors, if any</p> <p>Agreeing debt collection agency agreements</p> <p>Dealing with disputes, including communicating with directors/former staff</p> <p>Pursuing credit insurance claims</p> <p>Submitting VAT bad debt relief claims</p>
Leasing	<p>Reviewing leasing documents</p> <p>Liaising with agents and owners/lessors</p>
Stock and work in progress ("WIP")	<p>Liaising with quantity surveyors and potential purchasers</p> <p>Analysing the value in WIP</p> <p>Contracting with service-providers/suppliers to complete WIP</p>
Other assets: motor vehicles, intangibles, Intellectual property, VAT/corporation tax refunds, Insurance claims	<p>Liaising with agents to agree disposal strategy</p> <p>Dealing with potential purchasers</p> <p>Negotiating sales</p> <p>Liaising with solicitors to agree sales</p> <p>Collecting sales consideration</p> <p>Liaising with insurance companies and directors to pursue claims</p> <p>Examining company records to support tax refunds</p> <p>Exchanges with government departments</p>
Retention of Title Claims ("ROT")	<p>Receive initial notification of creditor's intention to claim</p> <p>Provision of retention of title claim form to creditor</p> <p>Meeting claimant on site to identify goods</p> <p>Adjudicate retention of title claim</p> <p>Forward correspondence to claimant notifying outcome of adjudication</p> <p>Preparation of payment vouchers and correspondence to claimant to accompany payment of claim (if valid)</p> <p>Exchanges with solicitors in deciding claims and dealing with disputes</p>
Insurance	<p>Identification of potential issues requiring attention of insurance specialists</p> <p>Correspondence with insurer regarding initial and ongoing insurance requirements</p> <p>Reviewing insurance policies</p> <p>Correspondence with previous brokers</p>

**b) The Joint Administrators' Expenses Estimate**

Below is the expenses estimate in respect of category 1 direct expenses and category 2 expenses, which will have an element of shared or allocated costs.

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the Administration and thus it includes expenses already incurred, details of which are provided elsewhere in this document. Creditors are also referred to the Estimated Outcome Statement at Appendix 3 for other costs.

<b>Expenses Category 1</b>	<b>Basis</b>	<b>Estimate of total</b>
<b>Legal costs</b> Freeths have been instructed to provide advice in respect of validity of security and appointment, sale of the business, licence to occupy leasehold premises, surrender of lease and any other legal matters arising during the Administration	Time-costs	<b>£15,167</b>
<b>Agents and Valuers</b> Charterfields have been instructed to provide a valuation and to assist with a sale of the Company's business and assets	Time-costs/%	<b>£7,000</b>
<b>Quantity Surveyor</b> Q-Consult have been instructed to liaise in respect of work in progress and also assist in the collection of book debts	Time-costs	<b>£4,235</b>
<b>Estate Agent</b> W T Gunson are instructed to market and dispose the Company's Warrington premises	%	<b>£11,000</b>
<b>ERA Specialists</b> Emprove Limited have been used to assist with employee matters generally and will be used to agree the employee preferential and unsecured claims where a dividend is anticipated	Fixed costs	<b>£1,437</b>
<b>Accounting fees</b> Accountants are to be instructed to attend to matters including corporation tax returns, dealing with any profit on sale of assets, providing advice and calculating any termination loss claim, and any VAT advice required	Time-costs	<b>£TBC</b>
Advertising		<b>£87</b>
Bank charges		<b>£50</b>
Bonding		<b>£1,520</b>
Insurance		<b>£5,000</b>
<b>Total</b>		<b>£45,496</b>

<b>Expenses Category 2</b>	<b>Basis</b>	<b>Estimate of total</b>
Storage of Company records (est. 50 boxes)	£6.00 per box per quarter for 1 year	<b>£1,200</b>
Mileage (own car usage)	45p per mile	<b>£500</b>
<b>Total</b>		<b>£1,700</b>

Please note that this estimate has been provided on the assumptions given in Section 14. In the event that it proves necessary for the Joint Administrators to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted estimate.

Creditors should also note that timing of the move to CVL is as yet unknown. Certain expenditure noted above may well require to be dealt with during the liquidation period.

### c) The Joint Liquidators' Fee Proposals

Whilst it is anticipated that the Company will move from Administration to CVL in order to pay a dividend to creditors, the timing of that move is currently unknown and therefore it is not known what work will remain to be carried out by the Joint Liquidators once the Administration is terminated. Despite these uncertainties, to ensure that the Joint Liquidators can act immediately to administer the winding up without needing to incur additional costs in reverting to creditors with information on their estimates, set out below is the necessary information to support the Joint Liquidators' Fees Proposal.

The Joint Administrators do not anticipate that it will be necessary to seek approval for fees in excess of this estimate. However, should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.

A fixed fee of £20,000 is sought in respect of the schedule of work outlined below. Much of this work is required by regulation and statute and provides little or no tangible benefits to the estate.

General Description	Includes
<b>Administration (including statutory reporting)</b>	
Statutory/advertising	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements
Document maintenance/file review/checklist	Filing of documents Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage
Creditor reports	Preparing annual progress reports, final account, investigation and general reports to creditors Disclosure of sales to connected parties

<b>General Description</b>	<b>Includes</b>
<b>Liquidation Committee</b>	<p><b>Only if a Committee has been formed</b></p> <p>Reporting to committee members</p> <p>Seeking the committees approval on case strategy</p> <p>Calling and holding meetings of the committee as required and the circumstances of the case dictate</p>
<b>Investigations</b>	
<b>SIP 2 review</b>	<p>Where the following tasks have not been completed in the Administration:</p> <p>Correspondence to request information on the company's dealings, making further enquiries of third parties</p> <p>Reviewing questionnaires submitted by creditors and directors</p> <p>Reconstruction of financial affairs of the company</p> <p>Reviewing company's books and records</p> <p>Preparation of deficiency statement</p> <p>Review of specific transactions and liaising with directors regarding certain transactions</p> <p>Liaising with the committee/creditors or major creditors about further action to be taken</p>
<b>Statutory reporting on conduct of director(s)</b>	<p>Liaising with Insolvency Service</p> <p>Preparation and submission of supplementary information to the Insolvency Service if required</p> <p>Assisting the Insolvency Service with its investigations</p>
<b>Examinations</b>	<p>Where the following tasks have not been completed in the Administration:</p> <p>Preparing brief to solicitor</p> <p>Liaising with solicitor(s) regarding examinations</p> <p>Attendance at examination</p> <p>Reviewing examination transcripts</p> <p>Liaising with solicitor(s) regarding outcome of examinations and further actions available</p>
<b>Litigation / Recoveries</b>	<p>Where the following tasks have not been completed in the Administration:</p> <p>Strategy meeting regarding litigation</p> <p>Seeking funding from creditors</p> <p>Reviewing terms of solicitors' conditional fee agreements</p> <p>Preparing brief to solicitors/Counsel</p> <p>Liaising with solicitors regarding recovery actions</p> <p>Dealing with ATE insurers</p> <p>Attending to negotiations</p> <p>Attending to settlement matters</p>

### **Realisation of Assets**

It is anticipated that there will be assets which remain outstanding when the Company moved from Administration to CVL. It is proposed that the percentage rates set out in table 1 above will apply in the liquidation. The following schedule represents the work expected to be done in respect of assets remaining after the Company passes into liquidation but is not considered to be an exhaustive list.

<b>Realisation of Assets</b>	
<b>Sale of Business as a Going Concern</b>	Where the following tasks have not been completed in the Administration: Agreeing licences to trade/occupy Surrender of lease (where appropriate)
<b>Plant and Equipment</b>	Where the following tasks have not been completed in the Administration: Liaising with valuers, auctioneers and interested parties Reviewing asset listings Consideration of mode of sale
<b>Freehold/Leasehold Property</b>	Where the following tasks have not been completed in the Administration: Liaising with valuers and agents on marketing strategy and offers received Dealing with tenant issues (if any) Liaising with landlords Agreeing assignment, surrender or disclaiming property
<b>Debtors</b>	Where the following tasks have not been completed in the Administration: Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers Liaising with quantity surveyor & solicitors (if any) Agreeing debt collection agency agreements Dealing with disputes, including communicating with directors/former staff Pursuing credit insurance claims Submitting VAT bad debt relief claims
<b>Other assets: motor vehicles, intangibles, intellectual property, VAT/corporation tax refunds, Insurance claims</b>	Where the following tasks have not been completed in the Administration: Liaising with agents to agree disposal strategy Dealing with potential purchasers Negotiating sales Liaising with solicitors to agree sales Collecting sales consideration Liaising with insurance companies and directors to pursue claims Examining company records to support tax refunds Exchanges with government departments
<b>Insurance</b>	Where the following tasks have not been completed in the Administration: Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers

### Creditors' claims and distribution

The Joint Administrators will not formally agree the claims of unsecured creditors and are unable to make a distribution to unsecured creditors without making application to Court. It is expected therefore that the Company will move into CVL in order to enable a distribution to unsecured creditors. It is appropriate that the Joint Administrators seek approval for them acting as Joint Liquidators for a percentage fee based on the funds held for distribution to unsecured creditors. The percentage rate sought is set out in table 2 below.

**Table 2**

LIQUIDATION	ESTIMATED FUNDS	RATE	FEES
	FROM ADMINISTRATORS		ESTIMATED
	£	%	£
Est Funds available for distribution to unsecured creditors	1,150,000.00	2.5	28,750.00

**Fee Estimate**

28,750.00

The work involved in respect of the agreement of creditors' claims and making a distribution to unsecured creditors is set out below.

Creditors (claims and distributions)	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator
Processing proofs of debt	Receipt of preferential claims (if not dealt with in Administration) Agreement of preferential claims (if not dealt with in Administration) Distribution to preferential creditors (if not dealt with in Administration) Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims
Dividend procedures	Preparation of correspondence to creditors advising of intention to declare distribution Advertisement of notice of intended distribution Preparation of distribution calculation Preparation of correspondence to creditors announcing declaration of distribution Preparation of cheques/BACS to pay distribution

	Preparation of correspondence to creditors enclosing payment of distribution Seeking unique tax reference from HMRC, submitting information on PAYE/NI deductions from employee distributions and paying over to HMRC Dealing with unclaimed dividends
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**d) The Joint Liquidators' Expenses Estimate**

Below is the estimate of expenses that will be incurred by the Joint Liquidators once the Company has moved from Administration to CVL.

The extent of the Joint Liquidators' expenses will depend on the timing of the move to CVL and the assets remaining at that time. The Joint Administrators' estimate at (b) above provides estimates for the known extent of work required. It may well prove to be the case that certain Joint Administrators' expenses will fall due after liquidation and hence it is not practicable to give detailed analysis below.

<b>Expenses Category 1</b>	<b>Basis</b>	<b>Estimate of total</b>
<b>Legal costs</b> Solicitors are likely to continue assist in providing advice in respect of leasehold property matters, conveyancing of freehold property, any outstanding debts and retentions subject to these events not occurring during the Administration period.	Time-costs	Unknown
<b>Agents and Valuers</b> may be required to deal with any assets which are not disposed of during the Administration period.	%	Unknown
<b>Quantity Surveyor</b> are likely to continue to collect the remaining book debts and retentions.	Time-costs	Unknown
<b>ERA Specialists</b> are likely to continue to assist with employee matters generally and to agree the employee preferential and unsecured claim where a dividend is anticipated. Also, to set up RTI scheme in respect of any employee dividends.	Time-costs	£1,000
<b>Accounting fees</b> to include corporation tax returns, dealing with any profit on sale of assets, providing advice and calculating any termination loss claim, and any VAT advice required.	Time-costs	Unknown
<b>Estate Agents</b> This will depend upon the timing of the sale of the freehold land and buildings and whether it is in the Administration or liquidation period.	%	Unknown
Advertising		£109
Bank charges		£50
Bonding		NIL
Insurance		Unknown

<b>Expenses Category 2</b>	<b>Basis</b>	<b>Estimate of total</b>
Storage of company records (estimated 50 boxes)	£6.00 per box per quarter for 2 years	£2,400
Mileage (own car usage)	45p per mile	£100
<b>Total</b>		<b>£2,500</b>

## NOTICE SEEKING DEEMED CONSENT

**Company Name:** Clovemead Limited (In Administration) ("the Company")

**Company Number:** 01521707

**In the High Court of Justice, Business & Property Courts Manchester no. 124 of 2019**

This Notice is given under Rule 15.7 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Allan Christopher Cadman, of Poppleton & Appleby, 16 Oxford Court, Bishopsgate, Manchester, M2 3WQ (telephone number (0161) 228 3028), *who was appointed by the directors of the Company.*

The Joint Administrator proposes that the following decisions be made:

1. That the Joint Administrators' Proposals be approved
2. That a Creditors' Committee will not be established<sup>1</sup>
3. That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time

In respect of each of the decisions proposed above, if less than 10% in value of creditors (who would be entitled to vote if a vote were taken) ("the Threshold") object to it in accordance with the procedure set out below, the creditors are to be treated as having made the proposed decision. Otherwise, the creditors are to be treated as not having made such decision and if a decision about that matter is again sought from the creditors, it must be sought using a qualifying decision procedure as defined by the Insolvency Act 1986.

In order to object to one or more of the proposed decisions, you must deliver a notice stating that you so object (and specifying to which one or more of the proposed decisions your objection relates) to the Joint Administrator not later than the time set out below. In addition, you must have also delivered a proof of debt (unless one has already been submitted) by the time set out below, failing which your objection will be disregarded.

It is the Joint Administrator's responsibility to aggregate any objections to see if the Threshold is met for the decision to be taken as not having been made.

If the Threshold is met, the deemed consent procedure will terminate without a decision being made and if a decision is sought again on the same matter it will be sought by a decision procedure.

All objections and proofs of debt must be submitted in writing to the Joint Administrator by one of the methods set out below:

By post to: Poppleton & Appleby, 16 Oxford Court, Bishopsgate, Manchester, M2 3WQ

By fax to: (0161) 228 2335

By email to: [allan@pandanorthern.co.uk](mailto:allan@pandanorthern.co.uk)

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<sup>1</sup> Please see the Notice Inviting Creditors to Form a Committee for further instructions.

Please note that, if you are sending documents by post, you must ensure that you have allowed sufficient time for them to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.


**All objections and proofs of debt must be delivered by 23.59 on the Decision Date, 29<sup>th</sup> April 2019.**

Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to object. A creditor who has opted out from receiving notices may nevertheless object if the creditor also provides a proof by the time specified above.

In addition, creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider any matter.

Statutory thresholds to request a meeting:	10% in value of the creditors
	10% in number of the creditors
	10 creditors

A creditor may appeal a decision by application to the court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.

Signed:   
**Allan Christopher Cadman**  
**Joint Administrator**

Dated: 10/4/2019

## NOTICE OF DECISION PROCEDURE

**Company Name:** Clovemead Limited (In Administration) ("the Company")

**Company Number:** 01521707

**In the High Court of Justice, Business & Property Courts Manchester no. 124 of 2019**

This Notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Allan Christopher Cadman, of Poppleton & Appleby, 16 Oxford Court, Bishopsgate, Manchester, M2 3WQ (telephone number (0161) 228 3028), who was appointed by the directors of the Company.

Creditors are invited to vote by correspondence on the following (for the full wording of proposed decisions, see overleaf):

1. The basis of the Joint Administrators' fees
2. The approval of the Joint Administrators' Category 2 disbursements
3. The approval of the pre-Administration costs

Overleaf is a voting form on which creditors may signify their decisions on the above matters. All voting forms, together with a proof of debt if one has not already been submitted, must be completed and returned to the Joint Administrator by one of the methods set out below:

By post to: Poppleton & Appleby, 16 Oxford Court, Bishopsgate, Manchester, M2 3WQ

By fax to: (0161) 228 2335

By email to: [allan@pandanorthern.co.uk](mailto:allan@pandanorthern.co.uk)

Please note that, if you are sending votes by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

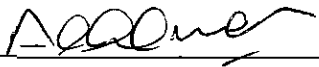
**All voting forms and proofs of debt must be delivered by 23.59 on the Decision Date, 29<sup>th</sup> April 2019.**

If the Joint Administrator has not received a proof of debt by the time specified above (whether submitted previously or as a result of this Notice), that creditor's vote will be disregarded. Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to vote. A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the time specified above.

Creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider the matter.

Statutory thresholds to request a meeting:      10% in value of the creditors  
   10% in number of the creditors  
   10 creditors

A creditor may appeal a decision by application to the court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.

Signed:       Dated: 10/4/2019  
**Allan Christopher Cadman**  
**Joint Administrator**

## VOTE BY CORRESPONDENCE

Clovemead Limited (in Administration)

Name of Creditor: \_\_\_\_\_

Address: \_\_\_\_\_

### Decisions:

1	The Joint Administrators' fees are to be fixed in a set amount of £25,000 for the Administration and a set amount of £20,000 for the Liquidation in the event that the Company exits into Creditors' Voluntary Liquidation or Compulsory Liquidation and the Joint Administrators become the Joint Liquidators	*For / Against
2	In addition, a percentage of asset recoveries as outlined in the Joint Administrators' fees Proposal at Appendix 7. The percentage rates are to apply in the event that the Company exits into Creditors' Voluntary Liquidation or Compulsory Liquidation and the Joint Administrators become the Joint Liquidators	*For/ Against
3	That the Joint Administrators be authorised to recover all Category 2 disbursements, calculated on the bases detailed in Poppleton & Appleby's summary.	*For / Against
4	That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved.	*For / Against

\* Please delete as applicable to indicate your voting instructions

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

Name in capitals: \_\_\_\_\_

Position with, or relationship to, creditor or other authority for signature: \_\_\_\_\_

Are you the sole member/shareholder of the creditor (where it is a company)?

Yes / No

**NOTE: Once a vote has been cast, it cannot be changed.**

Please complete this form and return it, along with a completed proof of debt if you have not submitted one previously, so that it is delivered by 23.59 on 29<sup>th</sup> April 2019, by:

Post: Poppleton & Appleby, 16 Oxford Court, Bishopsgate, Manchester, M2 3WQ

Fax: (0161) 228 2335

Email: please scan in a signed copy of this form and attach it as a pdf to  
allan@pandanorthern.co.uk

## PROOF OF DEBT - GENERAL FORM

**Clovemead Limited (in Administration)**

Date of Administration: 11 March 2019

DETAILS OF CLAIM		
1.	Name of Creditor (if a company, its registered name)	
2.	Address of Creditor (i.e. principal place of business)	
3.	If the Creditor is a registered company: <ul style="list-style-type: none"> <li>For UK companies: its registered number</li> <li>For other companies: the country or territory in which it is incorporated and the number if any under which it is registered</li> <li>The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act</li> </ul>	
4.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	£
5.	If the total amount above includes outstanding uncapitalised interest, please state	YES (£        ) / NO
6.	Particulars of how and when debt incurred	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Details of any reservation of title in relation to goods to which the debt relates	
9.	Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document or evidence to substantiate the claim at his discretion.]	
10.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986	Category  Amount(s) claimed as preferential £
11.	<b>If you wish any dividend payment that may be made to be paid in to your bank account please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information</b>	Account No.:  Account Name:  Sort code:
AUTHENTICATION		
Signature of Creditor or person authorised to act on his behalf		
Name in BLOCK LETTERS		
Date		
If signed by someone other than the Creditor, state your		

postal address and authority for signing on behalf of the Creditor	
Are you the sole member of the Creditor?	YES / NO

## NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

**Company Name:** Clovemead Limited (In Administration) ("the Company")

**Company Number:** 01521707

**In the High Court of Justice, Business & Property Courts Manchester no. 124 of 2019**

This Notice is given under Rule 3.39 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Allan Christopher Cadman, of Poppleton & Appleby, 16 Oxford Court, Bishopsgate, Manchester, M2 3WQ (telephone number (0161) 228 3028), who was appointed by the directors of the Company.

Creditors are invited to nominate creditors (which may include themselves) by completing the section below and returning this Notice to the Joint Administrator by one of the following methods:

By post to: Poppleton & Appleby, 16 Oxford Court, Bishopsgate, Manchester, M2 3WQ

By fax to: (0161) 228 2335


By email to: [allan@pandanorthern.co.uk](mailto:allan@pandanorthern.co.uk)

Please note that, if you are sending nominations by post, you must ensure that you have allowed sufficient time for the Notice to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

**All nominations must be delivered by: 12.00 noon on 26 April 2019**

Nominations can only be accepted if the Joint Administrator is satisfied as to the nominated creditor's eligibility under Rule 17.4 of the Rules.

For further information on the role of Creditors' Committees, go to:  
<https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>

Signed:  Dated: 10/4/2019  
**Allan Christopher Cadman**  
**Joint Administrator**

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## NOMINATIONS FOR MEMBERS OF A CREDITORS' COMMITTEE

### Clovemead Limited (In Administration)

On behalf of (name of Creditor): \_\_\_\_\_,

at (address of Creditor): \_\_\_\_\_,

I nominate the following creditor(s) to be member(s) of a Creditors' Committee (provide name(s) and address(es)):

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_

Name in capitals: \_\_\_\_\_

Position with, or relationship to, Creditor or other authority for signature: \_\_\_\_\_

Are you the sole member/shareholder of the Creditor (where it is a company)?

Yes / No



**CLOVEMEAD LIMITED (IN ADMINISTRATION)  
('THE COMPANY')**

**SIP 16 DISCLOSURE REPORT  
15 MARCH 2019**

**Charles M Brook and Allan C Cadman appointed Joint Administrators on 11 March 2019**

**The Joint Administrators act as agents of the Company and without personal liability.**

**Poppleton & Appleby  
16 Oxford Court  
Bishopsgate  
Manchester  
M2 3WQ**

**0161 228 3028  
[www.pandanorthern.co.uk](http://www.pandanorthern.co.uk)**

## **Statutory Purpose**

The objective of an administration is set out at Paragraph 3 of Schedule B1 to the Insolvency Act 1986. An administrator of a company must perform his functions with the objective of:

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

It is envisaged that objective (b) will be achieved principally through the pre-packaged sale.

## **PRE-PACKAGED SALE**

The primary function of an administrator is to achieve one of the objectives set out in the Insolvency Act 1986 ("the Act"). In this case, the statutory purpose pursued is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration). In performing their functions to achieve this purpose, the Joint Administrators will also achieve statutory purpose (c) which is to realise the Company's property in order to make a distribution to one or more secured or preferential creditors, which as there are no secured creditors to whom there is a debt in this case, will be the preferential creditors.

In pursuit of the objectives the business and assets of a defined part of the Company's business have been sold by the Joint Administrators following a pre-packaged sale which, in our opinion achieved the best available outcome for creditors as a whole in all the circumstances.

We provide below an explanation and justification of why a pre-packaged sale was undertaken.

In this report reference is also made to the sale of individual divisions of the business by the Company's Directors prior to the appointment of Administrators.

## **The Roles of the Insolvency Practitioners**

Prior to commencement of the Administration, Poppleton & Appleby acted as advisors to the Board of Directors in relation to the options for the Company. For the avoidance of doubt, neither Poppleton & Appleby nor its insolvency practitioners advised the Directors personally or any parties connected with the purchasers, who were encouraged to take independent advice. At all times prior to Administration, the Board of Directors remained wholly responsible for and in control of the Company's affairs.

During this time, the insolvency practitioners of Poppleton & Appleby took their own steps to prepare for their potential appointment as Joint Administrators. At an early stage it was considered that there were clear advantages in looking to sell definable parts of the Company's business ("the divisions") and associated assets swiftly on appointment; a strategy that would significantly reduce the ongoing costs to the Administration, mitigate claims and minimise any diminution in realisable values following commencement of the formal insolvency process.

Therefore, the insolvency practitioners, with the assistance of professional and independent agents, negotiated with parties identified as having an interest in acquiring

the business and assets of the Company to a point whereby a sale could be concluded shortly after the Administration had commenced.

Immediately on their appointment, the Joint Administrators, as officers of the Court and agents of the Company, assumed the responsibilities of managing the affairs, business and property of the Company and in the interests of the creditors as a whole and mindful of the need to achieve a statutory purpose of an Administration, concluded the Sale.

Insolvency practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Joint Administrators observed the Code in all their activities both prior to and after their appointment.

### **Initial Introductions**

Poppleton & Appleby were initially recommended to the Company's directors by Rickitt Mitchell. On 12<sup>th</sup> April 2018 a meeting was held between Charles Michael Brook, Allan Christopher Cadman (Licenced Insolvency Practitioners), and Jonathan Molloy (Insolvency Director) of Poppleton & Appleby and Graham Holland and Peter Saunders, the Company's two principal directors and shareholders. The purpose of the meeting at that time was to review the viability of the Company and its business in light of its recent adverse trading performance.

No fee or commission was paid or will be paid to Rickitt Mitchell for making the recommendation.

As a consequence of that meeting, a report was prepared by Poppleton & Appleby which confirmed the solvency of the Company but which expressed clear concerns that the Company could stray into insolvency if appropriate steps were not taken to assuage the identified risks. In particular it was noted that if the Company became formally insolvent then a significant liability would accrue in relation to the preferential and unsecured claims of its personnel many of whom had a service history with the Company in excess of 20 years.

The next subsequent meeting was on 23<sup>rd</sup> May 2018 at which the report was discussed and agreed.

### **Pre-appointment Matters**

The directors next approached Poppleton & Appleby on 6<sup>th</sup> November 2018 following the preparation by the directors of management accounts that indicated a further deterioration in the Company's trading performance. The increased likelihood of the Company's formal insolvency was highlighted and although it was not considered to be insolvent at that time, it was identified that immediate measures should be taken with a view to avoiding insolvency.

At that time the Company was actively pursuing new business and the directors retained a degree of optimism that if it materialised then the imminent risk of insolvency would be averted. Nevertheless, steps that had already been implemented by the directors in consultation with the Company's accountants to seek parties that may be interested in procuring the Company or its business continued.

A further meeting took place on 11<sup>th</sup> December 2018 at which the Company's progress in relation to both securing profitable contracts and garnering an interest from potential

acquirers was reviewed and its options in the event of a positive or negative outcome were confirmed verbally with the directors.

At a meeting with the directors held on 23<sup>rd</sup> January 2019 at which detailed management information it considered it was identified that, unless a number of active opportunities to sell the Company's business as a going concern were successful within a modest timescale, the Company would become irretrievably insolvent. The likelihood was deemed high and in anticipation of a formal insolvency, it was agreed that Poppleton & Appleby would be engaged by the Company to continue advising generally on the Company's solvency whilst also assisting the directors in dealing with the formalities of preparing to place the Company into administration and, with the assistance of solicitors, to pursue a 'pre-pack' sale of the business as a going concern.

In addition, Poppleton & Appleby was engaged to instruct agents to advise on the value of the company's business and assets and to enter into negotiations with interested parties with a view to concluding a sale of the Company's business and assets shortly after entering administration.

That engagement was signed and received on 7<sup>th</sup> February 2019.

In November 2018 Poppleton & Appleby invoiced the Company in respect of the business advisory report produced in April 2018 and the subsequent advice provided up to and including the meeting on 6<sup>th</sup> November 2018 in the sum of £1750 plus VAT which was discharged in full by the Company shortly afterwards.

Following the acceptance of the subsequent engagement on 7<sup>th</sup> February 2019 the Company was invoiced the further sum of £5,000 plus VAT on account of fees for pre-appointment work provided for under that engagement.

In addition to advising on the Company's options, our advice covered practical and technical aspects of marketing the business and also involved assisting closely in negotiating and agreeing the terms of the contract for the sale of the business and assets to be completed following the Joint Administrators' appointment.

The total fee agreed with the Company and its directors in respect of our pre-appointment advice under the engagement is £35,000 plus VAT of which the sum of £5,000 plus VAT has been paid as referred to above. The Joint Administrators intend to seek the approval from the Company's creditors to have the balance of that fee paid from realisations in due course.

## **Company Background**

The Company traded principally from premises at Brunel House, Vale Owen Road, Orford Green, Warrington, WA2 8NZ and latterly also from premises at Unit 3, Shell Green, Bennetts Lane, Widnes WA8 0GW.

The Company commenced trading in 1980 when the 2 shareholding directors formed a business combining their respective specialist knowledge, skills and experience and professional reputations forged whilst working separately with two major oil companies.

The Company rapidly established itself as a class leading principal contractor in the construction and industrial facilities maintenance sector. It adapted to meet the changing needs of its client base by the development of divisions within the Company as outlined below.

The Company ultimately had 4 distinct divisions of business within the single corporate entity. The divisions each had specific designated employees and functions. These can be summarised as follows:

### Construction

This area of the business could be described as a classic construction company focussing primarily on the commercial market but also capable of handling public sector, retail, industrial and domestic projects. It specialised in automotive showrooms (new and refurbishments), warehousing, healthcare, food and with particular expertise in filling station forecourt developments. This division of the business traded from the Warrington premises.

### Minor Works

This consisted of a small team of experienced fitters capable of working independently as a maintenance task force on smaller contracts, in specialist environments and supplementing the services of the other divisions.

### Fuel Line Systems

Experienced in petrochemical environments, this division also installed generator fuel supply systems. In particular it installs diesel storage and supply systems to all BT telephone exchanges UK wide. It operated in a highly specialised market situation and traded from the Widnes premises.

### Signage

As an evolution from the Company's expertise in the automotive and fuel supply industries, it also provided services ranging from the installation and maintenance of forecourt signage to the complete refurbishment of forecourt and premises' facades; another highly specialised field. This division also traded from the Widnes premises.

## **Trading History**

The Company has traded for many years making significant profits and providing long serving support and professional services to its clients which have included motor franchise owners particularly within the Volkswagen network, directly to Bentley Motors Limited at its Crewe production facility, fuel distributors including Shell and BP, local authorities, schools and colleges, religious institutions and health authorities.

Although turnover has remained fairly consistent in recent years, profit margins have become harder to sustain. Efforts to assuage that issue had been made in recent years but, a point had been reached beyond which it was considered that further cost cutting would detrimentally affect the ability of the Company to operate effectively and continue to provide the level of specialist support that its key portfolio of target clients required.

The directors recognised that the 3 principle divisions of the business may well benefit from being hived-out to facilitate a disposal or to make the Company as a whole or its separate divisions attractive to further investment. A marketing strategy was undertaken by the directors in conjunction with the services of the Company's accountants, Langton Professional Services Limited in late 2018. That initially resulted in an offer of secured loan finance from an independent third party which was also interested in acquiring the Company's business as a whole; however, after due consideration and taking advice, the directors accepted that without fundamental changes to the structure and trading

experience of the Company, the financial relief provided by that funding would be short-term. Moreover, it would involve providing security over the Company's principle fixed asset being, its premises in Warrington and, having regard to the imminent prospect of insolvency, merely deplete assets to the ultimate potential detriment of the Company's creditors generally. The offer was not therefore accepted.

It is notable that the Company had a notional overdraft facility of its bank, Bank of Scotland plc ("the Bank"), in the sum of £240,000. That facility was secured by way of a debenture conferring fixed and floating charges over the assets and business of the Company. Historically the facility had rarely been used and in 2018 when the directors enquired of the Bank if the facility was still available they were advised that any use of it would require prior approval. Given the Company's financial uncertainty the directors were reluctant to seek use of that facility knowing that repayment could be difficult to service and with a belief that the Bank's approval would be unlikely upon closer scrutiny of the existing financial position.

The Bank's security is summarised as follows:

<u>Type of security</u>	<u>Name of charge-holder</u>	<u>Date of creation of security</u>
Debenture	Bank of Scotland plc	27 June 2017
Fixed charge	Bank of Scotland plc	3 August 2017

At the date of Administration the Company's account was and remains in credit and there are no monies outstanding to the debenture holder.

Meanwhile, interest had been shown in the fuel lines division by an independent party, namely Craggs Environmental Limited ('Craggs'). Negotiations were entered into between the directors and Craggs resulting in the sale of the Fuel Line Systems business and assets (including items of plant and machinery and 2 motor vehicles subject to finance) as a going concern. In addition, the Company's interest in existing related client contracts were migrated. The most significant advantage of the disposal was that 5 employees, including a non-shareholding director, were transferred to Craggs which adopted their contracts of employment. Thus, a potential additional liability on a formal insolvency was avoided which was deemed to be in the best interests of creditors generally.

The consideration received by the Company was £25,000 as a going concern sale. The negotiations took place after the directors gave Poppleton & Appleby formal instructions to assist the Company insolvency and hence Charterfields, professional valuers and Chartered Surveyors were by then engaged to assist in reviewing the Company's assets as a whole. The contract and assets subject to the sale were assessed by Charterfields on behalf of the Company who gave their recommendations to the directors that in the prevailing circumstances, the offer ought to be accepted; in their opinion it was in excess of the financial outcome that was likely to be achieved in an Administration sale and the retained employment for the staff transferred under TUPE thus reduced the Company's potential liability to notice and redundancy payments.

Completion occurred on 18<sup>th</sup> February 2019 when consideration was paid in full, less a creditor balance offset by the purchaser, resulting in the sum of £22,524 being paid to the Company's solicitors and held by them pending the Joint Administrators' appointment.

Creditors should note that this sale was not an Administrators' sale and is not strictly the subject of this SIP16 report but is intended to assist in the understanding of matters arising during the period whilst Poppleton & Appleby have been formally advising the

Company in anticipation of the commencement of Administration. The sale to Craggs was completed with relative haste to ensure that it occurred prior to Administration because the Company's standing contract with British Telecom ("BT") was understood to be sensitive to a formal insolvency appointment which would have necessitated BT engaging in a re-tendering process. In that event the division would not have been assured of continued work and Craggs would not have wished to assume the risk of taking on the personnel with their accrued employment rights.

## **Administration**

The options listed below were considered with the Directors.

### *Continuing to trade outside insolvency / Refinance*

The Company found that its cash constraints were impacting on its ability to continue trading. It had been in difficulties in late 2018 when it entered a time to pay arrangement with HMRC. This created an exponential problem with the frequency of new tax liabilities which the Company was likely to have further difficulties addressing.

The directors had reluctantly rejected an offer of secured from an independent third party as this was considered to be insufficient to stabilise the business in the medium term and it would also involve giving security over its principal asset to the detriment of creditors generally.

The disposal of the non-profit making divisions of the business took place late in the day and the impact of any savings would not have sufficient time to take effect.

The Company's shareholders and directors had confirmed that they were not able to provide the level of additional funding necessary to support the Company to trade in the long term, and therefore this option was not viable.

### *Company Voluntary Arrangement ("CVA")*

Although a CVA may have given the Company some immediate relief from creditor pressure, without securing a reliable pipeline of additional profitable contract work the directors could not be confident that the Company would be successful in trading through its difficulties. They were therefore unable to provide cash flow forecasts that would withstand the level of probity to support the implementation of CVA.

### *Liquidation*

The possibility of placing the Company into Liquidation was considered. However it was decided that this was not the best course of action to take, as Liquidation would mean that all employees would be made redundant leading to an increase in the level of creditors. The values realised for tangible assets, debtors and work in progress would also have been detrimentally impacted.

### *Pre-packaged Administration Sale*

There was insufficient working capital and, due to fundamental uncertainty regarding the underlying profitability of the Company's business, no prospect of obtaining additional funding to allow medium-term trading to continue in order that the business and assets could be exposed thoroughly to the market. The most significant benefits of achieving a pre-packaged sale for the signage division were the transfer of approximately 50% of the employees, a potential abatement of the lease liabilities on the Widnes trading premises,

the realisation of enhanced values for tangible assets and greater likelihood of debtor realisations due to the availability of product warranty support.

### **The Joint Administrators' Options on Appointment**

Immediately prior to appointment, the proposed Joint Administrators had considered whether the first Administration purpose might be achieved by continuing to trade the business within Administration in order that a proposal for a CVA might be put to creditors. However, it was considered that trading the business during the Administration could not continue, as the Company had insufficient finance in order to do so and it was clear that the Company's business as a whole could not trade profitably. A review of the Company's cash-flow revealed that any prolonged trading in administration whilst a purchaser was sought was likely to irrevocably and materially erode the Company's reserves to the detriment of prospects for all creditors.

No consultation was undertaken with any creditor or creditor group. The reasons for this was that there is was no material secured creditor (lease and equipment finance creditors excepted). Also, the Company was already in dialogue with HMRC in connection with a time to pay arrangement. It was not considered efficacious to canvass the views of the numerous individual unsecured creditors as the immediate reputational impact would almost certainly have prevented continued trading.

### **Marketing of the Business and Assets**

The directors were asked to provide information on any parties, of which they were aware, who would be interested in purchasing the business and assets of the Company.

The directors were asked if any marketing conducted by the Company prior to approaching Poppleton & Appleby for advice. We were advised that following the receipt of our report dated 23<sup>rd</sup> April 2018 and after considering the Company's second quarter management accounts that fell significantly below their expectations, the directors concluded that they should attempt to dispose of divisions of the business. They took other external independent advice, from which it became clear to them that it was more likely that a sale of either the fuel line systems or signage divisions might be achieved within a reasonable timeframe.

The directors asked the Company accountants to seek suitable purchasers for these 2 divisions with effect from 10<sup>th</sup> September 2018. The accountants conducted an exercise to identify specific potential acquirers in the 2 specialist markets and sent MI packs to targeted companies, mainly competitors of the Company. They also marketed generally nationwide using business sales report and through an established network of other allied professional practices.

The exercise revealed Craggs as a potential acquirer for fuel systems and Toureen Group that was be interested in the signage division. The directors were disappointed that these were the only credible potential acquirers for the respective divisions and negotiations proved difficult as a result due to the lack of a competitive element.

Craggs retained their interest however and the sale of the fuel line systems division is disclosed in detail earlier in this report.

Agents, Charterfields Limited ("Charterfields"), introduced by Poppleton & Appleby, were then instructed to market the construction division by the directors. Charterfields have the necessary expertise, experience and resources in the field and are also specialists within broader insolvency matters. Ian Maycock, BSc MRICS, is a director of Charterfields and has confirmed their independence, that they are members of The Royal Institute of Chartered Surveyors and have adequate professional indemnity insurance cover.

Charterfields were advised of the interest in the 2 divisions previously mentioned and were charged with focussing on the construction division of the Company.

### ***The Marketing Strategy***

It was agreed with the agents that the initial marketing strategy undertaken would consist of the following:

- A "no name" marketing flier was prepared and posted to Charterfields' website under the businesses for sale tab on 17<sup>th</sup> January 2019, initially with a return date of 25<sup>th</sup> January 2019;
- The flier invited interested parties to register any interest and if further interest ensued, a requirement to complete a non-disclosure agreement ("NDA");
- Simultaneously, the flier was also emailed to 6,989 parties registered to Charterfields' database for acquisition opportunities;
- Two enquiries were received and completed NDAs;
- Neither party elected to take their interest further.

A further marketing exercise was undertaken on 26<sup>th</sup> February 2019 and included 16 specific competitors provided by the directors and senior staff.

- Research to obtain contact information for MD or FD direct contact information;
- A direct mailing exercise was undertaken enclosing a sale pack;
- The pack now included the "Clovemead" name as its financial difficulties were by now in the public domain;
- Three responses were received, 2 of which immediately declined further interest;
- A third interested party signed a NDA and following a site meeting, registered an interest effectively in certain contracts and work in progress only.

A deadline of 1<sup>st</sup> March 2019 was set for this exercise.

The marketing strategy including the Company's prior efforts and those of Charterfields took place over an extensive period of 5 months. In our opinion the business has been publicised sufficiently over that time and that marketing has reached both targeted and generic potential purchasers.

The marketing strategy has resulted in the sale of fuel systems to Craggs. Whilst Charterfields were not directly involved in this sale, they provided the directors with the necessary assurance that under the circumstances, the consideration achieved was the optimum that could be expected.

The marketing strategy also identified Toureen Group as the only credible party interested in acquiring the signage division being the subsequent pre-package sale of the signage division herein reported.

It is a disappointment that despite the extensive marketing campaign, it was not possible to secure a purchaser for the construction division of the business which, upon the appointment of the Joint Administrators, ceased to trade save for the purpose of fulfilling the commissioning of a near-complete contract by negotiation with the client in order to make a significant debtor realisation.

### **Valuation of the Business and Assets**

As outlined under the heading, Marketing of the Business and Assets above, Charterfields were instructed on the 9<sup>th</sup> January 2019 initially to assist the directors with that marketing strategy. The directors had already entered into preliminary negotiation with the only

interested parties for 'Fuel Systems' and 'Signage'. Charterfields' input into the fulfilment of those disposals is set out under the divisional headings, below.

### ***Fuel Systems***

Craggs made their interest aware to the directors prior to any formal valuation instruction and as a result of their own initial marketing campaign. They were the only interested party and only retained their interest after seeking indicators for novation of a standing contract with BT. This division was considered to be unprofitable, borne out by divisional management figures. No formal valuation was undertaken with regard to this division due to time constraints imposed by Craggs who were in a strong negotiating position. Charterfields were asked to review the value of the tangible assets concerned on a desktop basis and to advise whether the offer was thought to be appropriate in all circumstances. As this division was considered to be unprofitable Charterfields confirmed that the sum of £25,000, as a going concern was appropriate, particularly having regard to the associated transfer of five employees, significantly reducing the potential redundancy liabilities. We are therefore satisfied that the optimum value was achieved when set against the alternative of a forced sale realisation and attendant redundancy costs. The directors concluded the sale by way of a sale and purchase agreement on 18<sup>th</sup> February 2019.

### ***Signage***

The Company's initial marketing strategy brought about the interest of the Toureen Group, firstly as tentative potential financier or acquirer for the whole Company, and latterly as the only interested party in 'Signage'.

No formal valuation has been undertaken of 'Signage' division for the following reasons:

- Time constraints;
- Toureen were already identified as the only realistic interested party;
- The principal tangible asset of motor vehicles were on site across the country;
- Stocks were bespoke, only of value to purchaser, and otherwise of only scrap value;
- Toureen were prepared to accept a licence to occupy the leased premises in Widnes.

An offer had been made to the directors on 15<sup>th</sup> February 2019, whilst effectively still in the marketing period. Charterfields were asked to provide an opinion on the offer on a desktop basis. They responded positively to this interest, however the contractual terms proposed by Toureen were impracticable, given the prospect of a formal insolvency process in respect of the Company in that they required warranties and indemnities that were untenable.

After further negotiation and following the issue of the Notice of intention to appoint Administrators, a final offer was negotiated with Toureen in the sum of £75,000. Charterfields were again asked to give their opinion and, given the distressed position of the Company and the overall position in saving the employment of 19 staff and the associated redundancy costs, they recommended that the offer ought to be accepted. The alternative would be cessation of trading and forced sale realisation.

The pre packaged sale to Red Building Solutions Limited (part of the Toureen Group) was endorsed by Charterfields. We are satisfied therefore that the sale price achieved is the optimum in all the circumstances.

### ***Construction and Minor Works***

Charterfields undertook a formal valuation of this division in conjunction with the final marketing campaign on 26<sup>th</sup> February 2019 and reported on the 5<sup>th</sup> March 2019. However as there was no interest expressed by any party in acquiring the division as a going concern, no pre-packaged sale of that division could be achieved.

### **The Transaction**

#### ***The purchaser and related parties***

A sale of the business and assets of the Company's Signage division was completed on 11<sup>th</sup> March 2019 with Red Building Solutions Limited.

There is no connection between the purchaser and the directors, shareholders or secured creditors of the Company or their associates.

The transaction is between the Company and Red Building Solutions Limited only and does not impact on any related companies.

No guarantees have been given by any directors for amounts due from the Company to a prior financier.

None of the consideration payable under the transaction is contingent or deferred.

#### ***The assets***

The Sale included the assets listed below and was completed by means of a sale and purchase agreement.

Neither the business nor any of the assets sold were previously purchased from an insolvent company.

#### ***The sale consideration***

The sale consideration totalled £75,000 and required the full sum to be paid on completion.

The secured creditor as referred to in this report has confirmed that no funds are due to them and has executed a deed of release. Hence, the sale consideration has not required formal allocation to charges and is wholly unencumbered. The asset categories disposed of are the interest, right and title of 'signage' assets as follows:

Business Information  
Goodwill  
Intellectual Property  
Motor Vehicles  
Office Furniture and Equipment  
Plant and Machinery  
Stock  
Sundry Equipment

The Sale and Purchase Agreement contains the overall consideration amount but does not provide individual values to the above categories. During negotiations, indicative

values were placed against each asset, and scrutinised by Charterfields. Charterfields gave their recommendation that the overall consideration exceeded that which could be achieved individually for each asset category in any other mode of disposal.

The Company had several items of equipment and motor vehicles held on hire purchase with one finance company who had a right of consolidation over the whole. Included were 3 items which formed part of the 'signage' transaction with individual settlement figures totalling £15,383. Charterfields advised that it would be prudent to settle with the finance company overall to release the equity in these financed assets. The finance was settled by the company directly and is not deducted from the consideration.

For the avoidance of doubt the assets of 'Construction' and 'Minor Works' were excluded from the transaction as were the following assets of the Company: cash at bank or in hand, freehold and leasehold land and buildings, contracts not terminable on administration, book debts, work in progress, third party assets, or retention of title stock.

An overriding feature of the transaction is that there were 19 employees who were transferred as part of the sale, therefore saving an estimated £100,000 in redundancy entitlements.

The consideration for the sale has been received in full.

There were no options, buy-back arrangements or similar conditions attached to the contract of sale.

A licence to occupy was granted in respect of Unit 3 Shell Green, Bennetts Lane, Widnes WA8 0GW for a period of 14 days whilst negotiations with the landlord of the property are progressed.

The Sale is not part of a wider transaction between the parties or any associates of either party.

#### **Connected Party Transactions**

As the Sale did not involve a connected party (as defined by the Act), the pre-pack pool was not approached to consider it and a viability review has not been drawn up.

**Please note that the affairs, business and property of Clovemead Limited are managed by the Joint Administrators who act as agents of the Company and without personal liability.**

  
**Charles Michael Brook**  
JOINT ADMINISTRATOR  
**Allan Christopher Cadman**  
JOINT ADMINISTRATOR