

# AM10

## Notice of administrator's progress report



Companies House



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ieshouse

<b>1</b>	<b>Company details</b>	
Company number	0 2 5 6 5 4 5 4	<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
Company name in full	Solutions Group (U.K.) plc	
<b>2</b>	<b>Administrator's name</b>	
Full forename(s)	Eddie	
Surname	Williams	
<b>3</b>	<b>Administrator's address</b>	
Building name/number	Colmore Building	
Street	Colmore Circus	
Post town	Birmingham	
County/Region		
Postcode	B 4 6 A T	
Country		
<b>4</b>	<b>Administrator's name <sup>①</sup></b>	
Full forename(s)	Jon L	<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	Roden	
<b>5</b>	<b>Administrator's address <sup>②</sup></b>	
Building name/number	Colmore Building	<b>② Other administrator</b> Use this section to tell us about another administrator.
Street	Colmore Circus	
Post town	Birmingham	
County/Region		
Postcode	B 4 6 A T	
Country		

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d	2	d	9	m	1	m	1	y	2	y	0	y	1	y	9
To date	d	2	d	8	m	0	m	5	y	2	y	0	y	2	y	0

### 7 Progress report

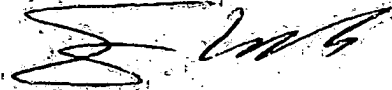
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

d	2	d	3	m	0	m	6	y	2	y	0	y	2	y	0
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# AM10

## Notice of administrator's progress report



### 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 **Matthew Drinkwater**

Company name **Grant Thornton UK LLP**

Address **4 Hardman Square**

**Spinningfields**

Post town **Manchester**

County/Region

Postcode **M 3 3 E B**

Country

DX

Telephone **0161 953 6900**



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



### Important information

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



### Where to send

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

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



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

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# **Solutions Group (U.K.) plc & Precision Manufacturing Limited - both in administration (the Companies)**

Recovery and Reorganisation  
Grant Thornton UK LLP  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

**Joint administrators' progress report for the  
period 29 November 2019 to 28 May 2020**

**Prepared by:** Eddie Williams, Joint Administrator

**Contact details:** Should you wish to discuss any matters in  
this report, please do not hesitate to  
contact Alexandra Dobie on  
0161 953 6422

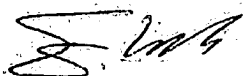
# Definitions

The following definitions are used either within the body of this report, the appendices to it, or both.

<b>The Companies</b>	Solutions Group (U.K.) plc & Precision Manufacturing Limited
<b>Solutions</b>	Solutions Group (U.K.) plc
<b>Precision</b>	Precision Manufacturing Limited
<b>Birketts</b>	Birketts LLP
<b>CVL</b>	Creditors' Voluntary Liquidation
<b>DLA Piper</b>	DLA Piper LLP, the administrators' solicitors
<b>ERA Solutions</b>	ERA Solutions Limited
<b>John Pye, the Agent</b>	John Pye & Sons Limited
<b>Management, Directors</b>	The statutory directors of Solutions and Precision
<b>Grant Thornton, the Firm</b>	Grant Thornton UK LLP
<b>HEF</b>	HSBC Equipment Finance Limited
<b>HMRC</b>	Her Majesty's Revenue & Customs
<b>HSBC / the Bank</b>	HSBC UK Bank Plc
<b>HIF</b>	HSBC Invoice Finance
<b>HP</b>	Hire Purchase
<b>ID Facility</b>	Invoice Discounting Facility
<b>Impact</b>	Impact Products (Europe) Limited (in creditors' voluntary liquidation) – Richard Tonks and Margaret Carter of Baldwins Holdings Limited were appointed joint liquidators on 27 January 2020
<b>ROT</b>	Retention of title
<b>the Joint Administrators / we / us / our</b>	Eddie Williams and Jon Roden
<b>the North Entities</b>	Solutions, Precision, Impact and Vision
<b>the Property</b>	Unit 5 Redbourne Park, Liliput Road, Brackmills Industrial Estate, Northampton, NN4 7DT
<b>Proposals</b>	Joint administrators' proposals dated 17 January 2020
<b>the Secured Creditors</b>	HSBC and HIF
<b>SIP</b>	Statement of Insolvency Practice
<b>SOA</b>	Statement of Affairs
<b>VAT</b>	Value Added Tax
<b>Vision</b>	Vision Products (Europe) Limited, a sister company to Solutions and Precision with common directors
<b>WIP</b>	Work in progress

# 1 Executive summary

- This progress report for the Companies' administration covers the period from 29 November 2019 to 28 May 2020
- As with the Joint Administrators' proposals, we have produced a combined report for the Companies in order to minimise costs and for the convenience of any creditors common to each estate
- This report should be read in conjunction with the Joint Administrators' proposals, which can be found on the Grant Thornton portal (<https://www.grantthornton.co.uk/portal>)
- Our proposals were approved on 29 January 2020 by deemed consent
- Based upon information available at the date of this report, we do not anticipate that there will be a return to creditors other than the secured creditor of Solutions
- We anticipate that there will be distributions to the secured creditors of Precision. There may be funds available to enable a distribution to the preferential creditors.
- The administrations are currently due to end on 28 November 2020. It is not expected that that the Administrations will be extended and as such both will close on or before this date
- As it is not anticipated that there will be sufficient funds to make a distribution to the unsecured creditors in either Administration (other than by virtue of the prescribed part), it is intended that both Companies will exit administration and move to dissolution
- A decision of the preferential creditors of Precision is being sought within this report. Please see Appendix E for further details



Eddie Williams  
Joint Administrator

23 June 2020

## 2 Progress to date

### 2.1 Strategy and progress since our statement of proposals

As stated in the Proposals, the initial strategy undertaken by the joint administrators was to:

- pursue a sale of the business and assets of Solutions;
- make immediate redundancies due to no funding being available to pay ongoing wages and arrears;
- engage with the landlord to discuss the period of occupation of the Property;
- contact all Precision customers with outstanding WIP to achieve as much value as possible, negotiate the subsequent sale of WIP, prepare invoices and collect receipts;
- liaise with the Directors regarding the collection of the Companies' book debts;
- liaise with John Pye to sell the Companies' chattel assets and Solutions' remaining stock; and
- engage with lease and hire purchase creditors to agree strategies for assets subject to fixed charges.

As detailed in the Proposals, a going concern sale of Solutions was not achieved. The objective for both Companies was, and continues to be, the maximisation of asset realisations in order to make a distribution to the secured creditors in Solutions and the secured and preferential creditors in Precision.

Since our Proposals, and in addition to our statutory duties, we have:

- with the assistance of John Pye, completed the sale of the Companies' chattel assets;
- submitted a second report to HSBC;
- carried out an investigation into the affairs of the Companies;
- liaised with the landlord of the Northampton Property regarding a surrender of the lease;
- liaised with the depot landlords regarding the leases;
- responded to incoming queries from debtors;
- managed the payment of the Property holding costs; and
- continued to liaise with the Directors regarding their collection of the book debts.

Further details of the conduct of the administration since appointment are set out below.

### 2.2 Property

#### **Northampton Property (Solutions & Precision)**

Both Companies traded primarily from the Property leased by Solutions. Rent to 24 December 2019 was paid prior to appointment by Solutions. The Joint Administrators remained in beneficial occupation of the Property until 23 December 2019 in order to facilitate John Pye's on-site auction and the sale of Precision's WIP. Prior to vacating the Property, John Pye removed the remaining assets for sale at a later date.

The Property was vacated on 23 December 2019 and the keys were returned to the landlord on the same date with a request to surrender the lease. After some discussion with the landlord's agent, the surrender was agreed on 10 February 2020. As neither company was in beneficial occupation of the Property after 23 December 2019, rent is not payable as an expense of the administrations. Any claim for dilapidations or rent from the landlord will be an unsecured claim in the administration of Solutions.

We are in the process of finalising the utility accounts for the Property for the period of occupation. Costs will be split equally between Solutions and Precision. To date, £2,377 has been transferred from Precision to the Solutions estate to cover half of the business rates.

### Depots (Solutions)

In addition to the Northampton premises, Solutions held leases for four depots located in Glasgow, Edinburgh, Poole and London. All depots were vacated prior to the Joint Administrators' appointment and as such the Joint Administrators were not in beneficial occupation at any time.

We have contacted all depot landlords and have confirmed that the leases have been surrendered.

## 2.3 Realisation of assets

### Book debts (Solutions & Precision)

The Companies' book debts are subject to an invoice financing agreement with HIF. As agreed with HIF and in order to minimise the costs in the administrations, the Directors retained responsibility for collecting the debts on behalf of both Companies and an agreement was reached between HIF and sister company Vision in this respect. To date, HIF has not paid any debt collection fees to Vision, although Vision is still collecting both ledgers. As such, the tables below include a £6,000 estimate for collection fees applied against the ledger.

On 23 March 2020, the Directors passed both ledgers to Birketts, a firm of solicitors they had used previously, to issue debt demands. Birketts' fees are added to the debts and are payable by the debtor, so there are no cost implications for either estate.

The tables below show collections to date, anticipated future collections and estimated costs. In our Proposals the book debts were reflected as being 80% recoverable. The Directors have revised this estimate to 70% of outstanding debt based upon their view of account realisations to date and the impact of the current economic climate in the wake of the Covid-19 pandemic. This is likely to have a significant impact on the Solutions' ledger as it comprises a large number of low value debtors, many of which are small companies or self-employed individuals.

#### Solutions

£'000	Received (paid) to date	Estimated future	Estimated total
Debtors (estimated future at 70% recoverable)	228	104	332
<i>Less: costs of credit controller</i>	-	(6)	(6)
<i>Less: HIF</i>	(223)	-	(223)
<b>Estimated surplus / (shortfall) against ID facility</b>	<b>5</b>	<b>98</b>	<b>102</b>

#### Precision

£'000	Received (paid) to date	Estimated future	Estimated total
Debtors (estimated future at 70% recoverable)	34	20	54
<i>Less: costs of credit controller</i>	-	(6)	(6)
<i>Less: HIF</i>	(34)	(8)	(42)
<b>Estimated surplus / (shortfall) against ID facility</b>	<b>-</b>	<b>6</b>	<b>6</b>

There is currently a ledger surplus of approximately £5k for Solutions as HIF has been repaid, save for any interest or charges.



There remains a shortfall of £8k on the Precision ledger and although the collection effort is ongoing, it is not yet clear whether HIF will be repaid in full as initial feedback indicates that many of the debtors have disputed the monies owed based on Precision's inability to fulfil warranty commitments as a result of entering administration.

Please note that all collections to date have been paid directly to HIF and are therefore not reflected on the Receipts & Payments account at Appendix A. Any surpluses against the ID facilities will be applied by HSBC against the outstanding debt on each of the trade finance loans as detailed in section 3.1.

#### **Motor vehicles (Solutions)**

Solutions owned two motor vehicles which were subject to a finance agreement with Lloyds Commercial Finance. John Pye took possession of the vehicles and valued them at £10k. The balance due to Lloyds Commercial Finance was £10k. The vehicles have been disposed of and no surplus was achieved.

#### **Aimex Dual Conveyor (Precision)**

HEF held a fixed charge over an Aimex dual conveyor owned by Precision. This asset was collected by HEF shortly after the Joint Administrators' appointment to be sold by the lender's appointed agent. A shortfall to HEF is expected.

#### **Plant & machinery (Solutions & Precision)**

Solutions' assets comprised a small amount of plant & machinery, office and handling equipment, vehicles, racking and forklifts. Precision's fixed assets comprised several pieces of specialist plant & machinery and a small quantity of office equipment.

All fixed assets have now been sold and the table below summaries the values achieved in relation to the Directors' SOA:

<b>£'000</b>	<b>Solutions</b>	<b>Precision</b>
SOA	45	105
Agent's valuation	18	45
<b>Total realisations achieved</b>	<b>24</b>	<b>39</b>

The SOA and Agent's valuation figures for Precision in the table above include values for a Seho soldering machine, which the Directors believed was owned of Precision. We subsequently received confirmation that the asset belonged to Solutions and was subject to a finance agreement with Hitachi Capital.

The tables below show the details breakdown of the encumbered and unencumbered assets and the costs of sale, and correctly reflect Solutions' ownership of the Seho soldering machine. No further realisations are expected:

<b>£'000</b>	<b>Solutions</b>	<b>Precision</b>
Encumbered realisations	11	-
<i>Less: finance settlements</i>	(5)	-
Unencumbered realisations	18	39
<i>Less: agent's fees and expenses</i>	(11)	(19)
<b>Total net realisations achieved</b>	<b>13</b>	<b>20</b>

Notes: Finance settlements relate to HP agreements with Investec and Hitachi in respect of a waste compactor and soldering machine. Both HP creditors have been repaid in full. See section 3.1 for further details.

The following assets were sold by John Pye to Vision, a sister company with common directors:

- Solutions: Office equipment and racking - £490
- Precision: Shelving and fridge/freezer - £140

John Pye considered Vision's offer for the equipment to be in line with their valuation. As such, the Joint Administrators are satisfied that the sale of these assets to Vision was at value and in the best interests of creditors.

#### **WIP (Precision)**

As previously reported, Precision's WIP was realised for a total of £57k. This exceeds the SOA balance of £30k.

No further realisations are expected.

#### **Cash at bank (Solutions & Precision)**

Upon our appointment, the Companies' current accounts were overdrawn so no realisations were made.

#### **Stock (Solutions)**

As reported in our Proposals, we did receive an offer for the stock but were unable to complete a sale. As such, it was removed from the Property by John Pye for sale. The SOA figure attributed to the stock was £30k.

The majority of stock was subject to a £105k retention of title claim from Vision. Legal advice states this ROT claim would be challenging to determine so a commercial settlement was reached with Vision whereby Vision retains the stock on the basis it will provide £10k to the administration account should there be a shortfall to costs. Vision remains liable for any shortfall of the HSBC lending in Solutions and Precision, which, given the security in place, any funds (after costs) realised by the Administrators would likely be applied.

The remaining stock is due to be sold at auction by John Pye. This has been delayed due to Covid-19 restrictions. John Pye estimates the stock could realise up to £5k before costs.

## **2.4 Assets yet to be realised**

The only assets left to realise are the Solutions' stock and the book debts.

## **2.5 Additional assets**

We instructed Grant Thornton's tax team to review the Companies' historic tax returns and accounts to determine whether there are any potential tax refunds, including corporation tax refunds and VAT bad debt relief claims. This is to assess whether there are any additional assets not noted on the SOA.

The above matters remain ongoing and a further update on any potential realisations will be provided in the next report.

# 3 Creditors

## 3.1 Secured creditors

### **HSBC (Solutions & Precision)**

HSBC was granted a fixed and floating charge debenture over the Companies' assets on 30 December 2011. At the date of administration, the balance due in respect of trade loans, and secured by this debenture, was £181k. Based on legal advice it was determined that the outstanding trade loans should be split evenly between the North Entities for the purpose of fairly allocating the balance between the insolvent estates (Solutions, Precision and Impact) and Vision. This is approximately £45k in each entity. To the extent that there is any shortfall to the lending of HSBC in any entity this will be repaid from the other North Entities under the cross guarantee until it has received payment in full.

£59k is due to HSBC from Solutions and £57k is due from Precision; being the split of the trade loans, outstanding credit card balances and overdrafts.

To date no distributions have been paid to HSBC under its security. There is likely to be a shortfall to HSBC in Solutions and Precision. Any shortfall to HSBC from the Companies will be applied against the other North Entities.

### **HIF (Solutions & Precision)**

HIF was granted a fixed charge over the Companies' debts and a floating charge over all present and future assets and undertakings on 2 February 2012. HIF provided lending against the Companies' book debts by way of an invoice financing facility.

There is currently a surplus of £5k on the Solutions IF account and a shortfall of £8k on the Precision account. HIF has therefore been repaid in full from Solutions (save for any additional charges) and based on information currently available, the estimated overall surplus is expected to be c£102k.

HIF is also expected to be repaid in Precision, with information currently available indicating potential for a small surplus of c.£6k. The achievability of a surplus in respect of Precision is based on the Directors' estimate that 70% of the remaining debts are collectable. As such, a surplus is not guaranteed and its value may be marginal.

See section 2.4 for details of current and anticipated future realisations.

### **Aldermore Bank Plc (Solutions)**

Aldermore Bank Plc was granted a fixed charge over the assets of Solutions on 28 October 2015. We understand that the Solutions debt to Aldermore has been paid in full, however the documents to release the charge were not filed and as such the charge still appears at Companies House.

### **Investec (Solutions)**

Investec was owed £3k at the date of administration pursuant to a finance agreement for an industrial waste compactor. Following our appointment, John Pye sold the compactor (see section 2.4 above) and discharged the balance owed to Investec in full from the proceeds.

### **Lloyds Bank Commercial Finance (Solutions)**

Two of Solutions' motor vehicles were subject to a finance agreement in favour of Lloyds Bank Commercial Finance. The balance due to Lloyds Bank Commercial Finance was c.£10k. John Pye has disposed of these assets and no surplus was achieved.

**HEF (Precision)**

HEF was owed £109k at the date of administration and held a fixed charge over an Aimex dual conveyor. HEF collected this asset to be sold by its appointed agent. Any shortfall will rank as an unsecured creditor claim of Precision. Based upon John Pye's valuation, the shortfall HEF is expected to be £40k.

## 3.2 Preferential creditors

Preferential creditor claims consist of employee claims for wages and holiday pay, up to certain statutory limits. A significant element of these claims will be subrogated to the Secretary of State, following payment of claims by the Redundancy Payments Service.

There were 27 employees in Solutions and 10 in Precision at the date of appointment, all of whom were made redundant on 2 December 2019.

The total estimated preferential claim figure is £62k for Solutions and £14k for Precision. The Companies' preferential creditor values are the result of employee wage arrears for the period 1 to 29 November 2019.

Based upon present information, there may be funds available to enable a distribution to the preferential creditors of Precision. We do not anticipate that there will be sufficient funds available to make a distribution to the preferential creditors of Solutions.

## 3.3 Unsecured creditors

The table below sets out the unsecured creditor claims received to date:

	SOA (£)	Number of claims received	Value of claims received (£)
Solutions	2,155,611	20	71,812
Precision	2,610,262	10	60,012

Notes: claims received are for trade and expense creditors who have lodged a proof of debt. The SOA figures include intercompany liabilities and estimated employee claims

**Prescribed part**

In accordance with section 176A of the Insolvency Act 1986, a prescribed part is to be set aside from the floating charge assets and made available to the unsecured creditors of the Companies. The prescribed part calculation is applied to the net property available and is calculated at 50% of the first £10,000 of net realisations and 20% of all further amounts, up to a maximum prescribed part of £600,000.

We do not anticipate that the prescribed part will apply in either case as:

- There is no floating charge surplus anticipated for Solutions against which to apply a prescribed part; and
- The net property likely to be available for Precision would be below the prescribed minimum of £10k so the Joint Administrators are able to disapply the prescribed part as the costs would outweigh the benefit to creditors.

**Dividend prospects**

At present it is unlikely that there will be sufficient funds to enable a distribution to this class of creditor in either estate.

# 4 Investigations into the affairs of the Companies

## 4.1 Statutory investigations

We undertook an investigation into the Companies' affairs to establish whether there were any potential asset recoveries, or conduct matters that required further investigation, taking into account the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.

Also, within three months of our appointments as joint administrators, as required by the Companies Directors Disqualification Act 1986, we reported to the Secretary of State the required facts about the Companies' business and the conduct of their directors (including those acting within the past three years).

Based on the outcome of our investigations into the affairs of the Companies to date, there are no matters identified that need to be reported to the creditors. However, we would be pleased to receive from any creditor any useful information concerning the Companies, their dealing or conduct which may assist us.

# 5 Fees and costs

## 5.1 Overview

### **Solutions**

We have incurred time costs and expenses in the year amounting to £108k and £31k respectively. No time costs have been paid. Expenses of £16,349 have been paid in the Period.

In addition to the time costs and expenses incurred, we estimate an additional £10k in time costs and £1k in expenses to deal with the remaining matters identified in the assets and investigations sections above and to close the administration.

This brings our total estimated fees to £118k in comparison to our fees estimate totalling £65k which was supplied to creditors when we issued the Proposals. At this time we do not seek to revise our fees estimate in order to be able to draw more remuneration because we are limited by asset realisations.

### **Precision**

We have incurred time costs and expenses in the year amounting to £85k and £55k. No time costs have been paid. Expenses of £37,401 have been paid in the Period.

In addition to the time costs and expenses incurred, we estimate an additional £13k in time costs and £1k in expenses to deal with the remaining matters identified in the assets and investigations sections above and to close the administration.

This brings our total estimated fees to £98k in comparison to our fees estimate totalling £58k which was supplied to creditors when we issued the Proposals. At this time we do not seek to revise our fees estimate in order to be able to draw more remuneration as we are limited by asset realisations.

Further details about remuneration and expenses are provided in Appendix B to this report.

We enclose a copy of a notice of a vote by correspondence for the preferential creditors to consider at Appendix E

# 6 Future strategy

## 6.1 Future conduct of the administrations

We will continue to manage the affairs, business and property of the Companies in order to achieve the purpose of the administration. This will include but not be limited to:

- continuing to liaise with the Directors regarding the book debt collection;
- liaising with John Pye to realise the remaining Solutions stock;
- for Precision only, obtaining preferential creditor approval for the basis of our remuneration;
- arranging payment of administration expenses, including our remuneration;
- in the case of Precision, agreeing the claims of the preferential creditors and paying a dividend, if future realisations make this feasible;
- effecting a final distribution to the secured creditor from the estates of both Solutions and Precision as applicable;
- finalising the Companies' tax affairs, to include completion of corporation tax and VAT returns and settlement of any liabilities; and
- complying with statutory and compliance obligations

It is estimated that the administrations will take approximately six months to be concluded in order to facilitate the ongoing book debt collections.

## 6.2 Extension of the administrations

The duration of an administration is restricted to 12 months from the date of commencement unless it is extended with the permission of the creditors or the court. The administrations are currently due to end on 28 November 2020 and we do not envisage extensions being required at this time.

## 6.3 Exit from administration

We proposed that the administrations will end by the administrators filing notices to dissolve the Companies.

The circumstances remain such that exit by dissolution for the Companies continues to be the proposed exit route.

## 6.4 Discharge from liability

As there are insufficient funds to make a distribution to creditors other than by virtue of the prescribed part, we will seek a resolution from the secured creditors of Solutions, and the secured and preferential creditors of Precision in order to obtain our discharge from liability.

We are seeking a decision from the preferential creditors of Precision with this report in order to obtain our discharge from liability in respect of Precision. See Appendix E.

## 6.5 Resolutions proposed - Precision

We attach a notice of a vote by correspondence for the consideration of the preferential creditors of Precision. The resolutions to be considered are as follows:

- 1 That the remuneration of the joint administrators be fixed according to the time properly spent by the Joint Administrators and their staff
- 2 That the joint administrators out of pocket expenses at cost; mileage is charged at 45p per mile, be approved.
- 3 That DLA Piper's pre administration costs of £9,000 plus VAT be approved
- 4 The joint administrators be discharged from liability in accordance with paragraph 98 of Schedule B1 to the Insolvency Act 1986 with effect from 14 days after I send my final report to creditors

## 6.6 Data protection

Any personal information held by the Companies will continue to be processed for the purposes of the administration of the Companies and in accordance with the requirements of data protection. Our privacy notice on our website ([www.grantthornton.co.uk/en/privacy](http://www.grantthornton.co.uk/en/privacy)) contains further details as to how we may use, process and store personal data.

## 6.7 Contact from third parties

Please be aware fraudsters have been known to masquerade as legitimate administrators. Fraudsters will contact creditors asking for an upfront fee or tax to release an investment or pay a dividend / to enable release of money payable to the creditor. An administrator would never ask for such a payment nor instruct a third party to make such a request.

## 6.8 Covid-19

This report has been produced during the Covid-19 restrictions. We have taken every reasonable step to ensure that the information is accurate, but if anything is incorrect or incomplete, we will provide an explanation and corrected information in the next progress report.

## 6.9 Future reporting

The date of our next report to creditors is anticipated to be issued by [xx xx 2020].



**Solutions Group (U.K.) plc - in administration**  
**Joint Administrators' receipts and payments account**  
**from 29 November 2019 to 28 May 2020**

<b>Receipts</b>	<b>Statement of Affairs (£)</b>	<b>Total (£)</b>
Fixed Assets	45,000.00	18,287.33
Stock	30,000.00	0.00
Book Debts	388,691.00	0.00
HP Asset 1 - Waste Compactor		3,875.00
HP Asset 2 - Seho Solderer		6,916.67
Precision Share of Property Costs		2,376.61
Fixed Charge VAT on Sales		5,815.80
HMRC - VAT received/paid		14.71
		<hr/>
		37,286.12
<b>Payments</b>		
Agents/Valuers Fees		9,388.79
Advertising		1,250.00
Investec		2,732.86
Hitachi		2,107.48
Preparation of S. of A.		375.00
IT Costs		510.00
Re-Direction of Mail		211.00
Statutory Advertising		73.55
Rates		4,753.21
Insurance of Assets		668.64
VAT on Purchases		191.71
Fixed Charge VAT on Purchases		3,095.83
		<hr/>
		25,358.07
<b>Balance - 28 May 2020</b>		<hr/> <hr/> 11,928.05
<b>Made up as follows</b>		
Floating Current Account		16,319.84
Grant Thornton Loan Account		(4,391.79)
		<hr/> <hr/> 11,928.05

Precision Manufacturing Limited - in administration  
 Joint Administrators' receipts and payments account  
 from 29 November 2019 to 28 May 2020

Receipts	Statement of Affairs (£)	Total (£)
Fixed Assets	105,000.00	0.00
Book Debts	122,500.00	0.00
Bank	204.00	0.00
Chattel Assets		38,677.00
Stock/WIP	30,000.00	57,010.16
Bank/ISA InterestGross		17.09
VAT on Sales		18,991.83
		<hr/>
		114,696.08
		<hr/>
<b>Payments</b>		
Agents/Valuers Fees (1)		17,315.55
Professional Fees		1,250.00
IT Costs		2,040.00
Re-Direction of Mail		211.00
Statutory Advertising		73.55
Rates		2,376.61
Insurance of Assets		392.00
Agent's Advertising		1,250.00
VAT on Purchases		4,385.82
HMRC - VAT received/paid		11,137.32
		<hr/>
		40,431.85
<b>Balance - 28 May 2020</b>		<hr/>
		74,264.23
		<hr/>

**Made up as follows**

Floating Current Account	74,264.23
	<hr/>
	74,264.23
	<hr/>

## Payments, remuneration and expenses to the joint administrators or their associates

### Statement of Insolvency Practice 9 disclosure

This appendix has been prepared in conjunction with the requirements of the Insolvency Act 1986, the Insolvency (England and Wales) Rules 2016 (the Rules) and Statement of Insolvency Practice 9 (SIP9). In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the joint administrators and their team during the period
- hourly charge out rates
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

## Pre-appointment costs

Pre-administration costs are fees charged and expenses incurred by administrators or other qualified insolvency practitioners before the company entered administration but with a view to it doing so. To the extent they remain unpaid when a company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Since the date of the joint administrators' last report, Grant Thornton UK LLP has chosen not to seek payment of their pre-administration fees (as disclosed in the joint administrators' statement of proposals) from the estate of either Precision or Solutions.

### Precision only

We have obtained secured creditor approval for the pre administration expenses of DLA. Preferential creditor approval is also required and a decision is being sought with this report. DLA's costs of £9,000 plus VAT relate to preparing the appointment documents and coordinating the appointment as administrators to the Companies. DLA advised that the costs could be attributed to a single appointment given the efficiencies of duplication. As such, these costs have been attributed to Precision.

## Post-appointment costs

### Fee basis of the joint administrators

We obtained the secured creditors' approval for our remuneration to be charged on a time cost basis for both administrations on 23 April 2020.

As we do not anticipate that there will be sufficient funds to enable a distribution to the preferential or unsecured creditors of Solutions, a decision is not required from these classes of creditors and as such the basis of our remuneration for Solutions has been fixed.

We are seeking a decision of Precision's preferential creditors with this report to approve the basis of our remuneration for Precision. This is because there may be funds to enable a distribution to Precision's preferential creditors.

#### Solutions Group (UK) plc

During the period from 29 November 2019 to 28 May 2020 (the Period) time costs were incurred totalling £108,169 represented by 362 hrs at an average of 299 £/hr (as shown in the 'Work done' section below), none of which has been paid. Description of the work done in the Period is provided in the respective section below.

As at Period end, as shown in the 'Work done' section below, cumulative recorded time costs have exceeded the time costs in the fees estimate and we anticipate that expenses will be in line with the expense estimate, both of which were provided to the creditors along with the Proposals.

The reasons for the excess are as follows:

- Secured creditor reporting time was underestimated in the fee estimate. The reporting requirements are quarterly and in a formal format as prescribed by HSBC.
- Our investigation into the Company's affairs identified a discrepancy in the intercompany loan balances as recorded in the company records, which required a reconciliation exercise and additional engagement with the Directors to resolve.
- Protracted negotiations with the landlord of the Northampton Property regarding a surrender of the lease.
- A significant amount of time was spent contacting and liaising with landlords of the Depots and returning the leases. We were unaware that keys had not been returned to landlords prior to our appointment. We spent time going through paper files to obtain landlord details, make contact and arrange for the return of keys. Some landlords wished to inspect their property before accepting the keys which further delayed matters.
- The extended asset realisation period resulting from auction delays associated with Covid-19.
- Protracted correspondence with the Company's pension providers in connection with preferential employee claims.
- Responding to a significant number of debtor enquiries requesting confirmation of the authenticity of collection letters and emails received from the Directors.
- Extensive correspondence regarding the Company's server backup to meet data protection requirements.

Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £65,478, without approval. At present we do not expect to seek approval to draw remuneration in excess of our fees estimate, however we reserve our right to do so in the future. In any event, our fees will be limited by asset realisations.

#### **Precision Manufacturing Limited**

During the period from 29 November 2019 to 28 May 2020 (the Period) time costs were incurred totalling £85,374 represented by 289 hrs at an average of 296 £/hr (as shown in the 'Work done' section below), none of which has been paid. Description of the work done in the Period is provided in the respective section below.

As at Period end, as shown in the 'Work done' section below, cumulative recorded time costs have exceeded the time costs in the fees estimate and we anticipate that expenses will be roughly be the same as the expense estimate, both of which were provided to the creditors along with the Proposals.

The reasons for the excess are as follows:

- Secured creditor reporting time was underestimated in the fee estimate. The reporting requirements are quarterly and in a formal format as prescribed by HSBC.
- Responding to a significant number of debtor enquiries requesting confirmation of the authenticity of collection letters and emails received from the Directors.
- Extensive correspondence regarding the Company's server backup to meet data protection requirements.

Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £57,747, without approval. At present we do not expect to seek approval to draw remuneration in excess of our fees estimate, however we reserve our right to do so in the future. In any event, our fees will be limited by asset realisations.

## Work done by the joint administrators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. Our fees estimate was included within our Statement of Proposals to creditors dated 17 January 2020. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the joint administrators' fees incurred together with a numerical fees estimate variance analysis. Reasons for any excess of the fees estimate are included in the 'Fee basis' section above. Details of expenses incurred in connection with work done are provided in the 'Disbursements and expenses' section below.

### Solutions Group (U.K.) plc

Area of work	Work done	Why the work was necessary	Financial benefit to creditors	Fees incurred		
<b>Assets</b>				<b>103 hrs</b>	<b>£31,026</b>	<b>£/hr303</b>
<b>Insurance</b>	<ul style="list-style-type: none"> <li>• Liaising with our insurance broker regarding the insurance of the assets</li> <li>• Obtaining information for our insurance broker, as requested</li> <li>• Updating insurance provider once remaining plant &amp; machinery sold by John Pye</li> <li>• Paying the insurance premium</li> </ul>	<ul style="list-style-type: none"> <li>• To mitigate risk from loss from an insurable event to protect creditors' interests</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate. This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate.</li> </ul>			
<b>Property</b>	<ul style="list-style-type: none"> <li>• Engaging with the landlord to establish rent paid and the strategy regarding occupation</li> <li>• Conducting site visits to Northampton premises</li> <li>• Reviewing leases to establish landlord details, liabilities, lease length details and understand any break clauses</li> <li>• Ensuring keys returned to depot landlords and communicating that depots were vacated prior to administration</li> <li>• Liaising with landlords regarding the surrender of the leases</li> <li>• Liaising with utility companies and the local council regarding payment of rates and utilities for the period of occupation in respect of the Northampton property</li> </ul>	<ul style="list-style-type: none"> <li>• To safeguard the Company assets</li> <li>• To facilitate an on-site auction of the assets</li> <li>• To mitigate creditors and act responsibly</li> </ul>	<ul style="list-style-type: none"> <li>• This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process.</li> </ul>			
<b>Debtors</b>	<ul style="list-style-type: none"> <li>• Liaising with HIF in respect of its indebtedness from the CID Facility</li> </ul>	<ul style="list-style-type: none"> <li>• To receive updates from the Directors and Birketts on collections</li> </ul>	<ul style="list-style-type: none"> <li>• This work was necessary to help realise financial value for the benefit of the</li> </ul>			

	<ul style="list-style-type: none"> <li>Preparing the letter of authority for the Directors to collect book debts</li> <li>Assisting the directors in collecting pre-appointment books debts</li> <li>Liaising with Birketts Solicitors</li> <li>Responding to incoming debtor queries</li> </ul>	<ul style="list-style-type: none"> <li>To liaise with HIF regarding collections</li> <li>To facilitate collection of book debts by the Directors and Birketts by responding to direct debtor queries</li> </ul>	<p>estate and for a distribution to creditors should sufficient funds become available</p> <p>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</p>
<b>Plant &amp; machinery, fixtures &amp; fittings, equipment</b>	<ul style="list-style-type: none"> <li>Assisting in securing the plant and machinery including instructing agents to inspect and secure assets</li> <li>Liaising with John Pye regarding the auction and collection of the plant and machinery on site</li> <li>Arranging for EMEA to securely wipe the electronic equipment prior to John Pye selling it</li> <li>Reviewing security and insurance arrangements</li> <li>Considering the strategy for any plant and machinery not sold</li> <li>Managing receipt of payments following the sale of assets</li> </ul>	<ul style="list-style-type: none"> <li>To secure and realise the plant and machinery</li> <li>To ensure finance companies were dealt with appropriately</li> <li>To comply with data protection regulations</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>
<b>Stock &amp; WIP</b>	<ul style="list-style-type: none"> <li>Liaising with the interested party regarding a potential sale of the stock</li> <li>Liaising with John Pye regarding the auction and collection of the stock following withdrawal of the interested party's offer</li> <li>Dealing with retention of title claims</li> </ul>	<ul style="list-style-type: none"> <li>To secure and realise the stock</li> <li>To ensure retention of title claims were dealt with appropriately</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>
<b>Other assets</b>	<ul style="list-style-type: none"> <li>Assessing a potential VAT bad debt relief claim</li> </ul>	<ul style="list-style-type: none"> <li>To determine whether an asset exists</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>



## General

- Determining ownership of HP assets
- To identify and secure the assets
- This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available. This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available.

Investigations			49 hrs	£12,076	£/hr247
<b>Debtor/ directors/ senior employees</b>	<ul style="list-style-type: none"> <li>• Sending questionnaires to directors for completion</li> <li>• Reviewing questionnaires received</li> <li>• Conducting a preliminary review into the affairs of the company based upon electronic and manual records</li> <li>• Submitting a statutory report</li> <li>• Investigating the intercompany loan position and liaising with the Directors to resolve queries</li> </ul>	<ul style="list-style-type: none"> <li>• To report on the conduct of the directors</li> <li>• To ensure that all company assets were identified, secured and realised</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate. This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate.</li> </ul>		
<b>Books &amp; records</b>	<ul style="list-style-type: none"> <li>• Collecting the company's records and listing and providing a schedule of records collected for Director approval</li> <li>• Reviewing the company's electronic records and collating information from these, and seeking assistance from directors regarding the information required</li> <li>• Arranging for a backup of the server</li> <li>• Liaising with John Pye regarding the safe destruction of old records</li> </ul>	<ul style="list-style-type: none"> <li>• To review the records held</li> <li>• To ensure a back-up was taken</li> <li>• To comply with legislation</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate. This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate.</li> </ul>		
<b>Bank statements &amp; analyses</b>	<ul style="list-style-type: none"> <li>• Completing a review of the company's historical bank statements</li> <li>• Analysing the inter-company creditor and debtor position</li> </ul>	<ul style="list-style-type: none"> <li>• To review the records held</li> <li>• To identify any potential intercompany assets.</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate. This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate.</li> </ul>		

Creditors			59 hrs	£18,573	£/hr317
Secured	<ul style="list-style-type: none"> <li>Engaging in ongoing correspondence with the secured creditors as to the progress of the administration</li> <li>Considering HSBC's security position and discussing it with solicitors</li> <li>Reporting to the secured creditor in its required format at month 1 and month 3</li> <li>Requesting information and approval on various matters, including obtaining approval of the administrators' remuneration and expenses</li> </ul>	<ul style="list-style-type: none"> <li>To keep the secured creditors informed as the key stakeholders in the administration</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estateThis work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>		
	<ul style="list-style-type: none"> <li>Engaging ERA Solutions and attending site in relation to redundancies made</li> <li>Collecting Company property from employees, including phones and laptops. Facilitating the collection of personal belongings from site</li> <li>Liaising with employees in relation to their claims in the estate and their queries</li> <li>Responding to any incoming employee queries (e.g. regarding P45s)</li> <li>Obtaining details from ERA as to employee claims and uploading them onto the Insolvency Practitioner's system</li> </ul>	<ul style="list-style-type: none"> <li>To ensure all employee claims were dealt with appropriately</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estateThis work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>		
Unsecured	<ul style="list-style-type: none"> <li>Gathering information in relation to known unsecured creditors</li> <li>Liaising with unsecured creditors in respect of their claims in the estate and any general queries</li> <li>Writing to all creditors advising of appointment and other statutory reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li>To ensure all creditors are kept up to date with the administration</li> <li>To ensure all creditor claims are dealt with appropriately</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estateThis work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>		

- Liaising with creditors as and when queries arise

Administration				151 hrs	£46,313	£/hr306
<b>Appointment formalities</b>	<ul style="list-style-type: none"> <li>• Preparing, circulating, advertising and filing notices of appointment</li> <li>• Filing appointment documents at Companies House</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with insolvency law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>			
<b>Case set-up</b>	<ul style="list-style-type: none"> <li>• Setting up and maintaining insolvency practitioners' software and transaction processing software</li> <li>• Setting up document and mail merge templates for standard letters</li> <li>• Calculating, completing and submitting the bordereau notification</li> <li>• Collating and assessing information regarding data collection, storage, processing and destruction; implementing and maintaining any necessary data protection strategies, reporting any known issues</li> </ul>	<ul style="list-style-type: none"> <li>• To capture key information and facilitate compliance with statutory requirements</li> <li>• To ensure the appointees are insured and the insolvency estate is protected</li> <li>• To understand the data in use, its sensitivities (if any) and to comply with data protection laws</li> <li>• To comply with insolvency law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>			
<b>Case management</b>	<ul style="list-style-type: none"> <li>• Reviewing the case and its progress by Insolvency Practitioners and internal risk management team</li> <li>• Preparing and updating an estimated outcome statement</li> <li>• Liaising with agents regarding transfer of funds</li> </ul>	<ul style="list-style-type: none"> <li>• To review the case and its progress</li> <li>• To comply with insolvency law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>			
<b>Reports, circulars notices &amp; decisions</b>	<ul style="list-style-type: none"> <li>• Issuing written notice of appointment to all known creditors</li> <li>• Drafting the proposals for achieving the purpose of administration</li> <li>• Circulating the joint administrators' proposals to creditors and filing them at Companies House</li> <li>• Monitoring deemed consent of the proposals</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with insolvency law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>			

<b>Shareholders/ debtor/ director communications</b>	<ul style="list-style-type: none"> <li>• Issuing questionnaires to directors</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with insolvency law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
<b>Statement of affairs</b>	<ul style="list-style-type: none"> <li>• Request SOAs from the relevant Directors</li> <li>• Uploading statement of affairs figures to insolvency case management software</li> <li>• Removing individuals' addresses for filing at Companies House</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with insolvency law and regulations</li> <li>• To obtain an overview of the Company's financial position</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
<b>Treasury, billing &amp; funding</b>	<ul style="list-style-type: none"> <li>• Freezing pre-appointment bank accounts to prevent outgoing transactions</li> <li>• Raising payments for administration expenses</li> <li>• Managing and maintaining the estate's bank account</li> <li>• Undertaking regular bank reconciliations</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with insolvency law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
<b>Tax</b>	<ul style="list-style-type: none"> <li>• Collecting company tax information to present to our internal tax team</li> <li>• Seeking advice from the tax team regarding the tax impact of the sale of the Company's assets</li> <li>• Liaising with HMRC including the submission of statutory forms</li> <li>• Submitting ongoing VAT returns</li> <li>• Reviewing the company's tax liabilities to consider any potential refunds</li> <li>• Considering the possibility of a VAT bad debt relief claim and liaising internally with the tax team</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with tax legislation</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
<b>Pensions</b>	<ul style="list-style-type: none"> <li>• Obtaining information on the Company's pension schemes</li> <li>• Completing and filing statutory forms in relation to the pension schemes</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure that employees continued to receive contractual benefits that they were entitled to</li> <li>• To comply with pension related legislation</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
<b>General</b>	<ul style="list-style-type: none"> <li>• Holding internal planning meetings to ensure timely case progression</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure timely case progression</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory</li> </ul>

- Travelling to Northampton site to oversee site activities

To attend the Northampton premises when necessary to facilitate agents and handle ad hoc queries in person

requirements and had no direct financial benefit to the estate

Total fees incurred in the Period	362 hrs	£108,169	£/hr299
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Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end  
Period from 29/11/2019 to 28/05/2020

Area of work	Partner Hrs	£	Manager Hrs	£	Executive Hrs	£	Administrator Hrs	£	Cumulative total as at period end			Fees estimate			Variance	
									Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£
<b>Realisation of Assets:</b>									103.00	31,205.56	302.97	69.60	23,726.00	340.89	(33.40)	(7,479.56)
Insurance	-	-	0.20	65.33	2.00	570.00	-	-	2.20	635.33	288.79	-	-	-	-	-
Property	-	-	28.30	8,900.13	37.25	9,130.00	-	-	65.55	18,030.13	275.06	-	-	-	-	-
Debtors	2.25	1,091.25	7.90	2,572.69	3.00	750.00	-	-	13.15	4,413.94	335.66	-	-	-	-	-
Plant & machinery, fixtures & fittings, equipment	-	-	4.70	1,460.67	4.00	960.00	-	-	8.70	2,420.67	278.24	-	-	-	-	-
Stock & WIP	9.10	4,413.50	1.50	450.00	-	-	-	-	10.60	4,863.50	458.82	-	-	-	-	-
Other assets	-	-	0.80	272.00	0.50	120.00	-	-	1.30	392.00	301.54	-	-	-	-	-
General	-	-	-	-	1.50	450.00	-	-	1.50	450.00	300.00	-	-	-	-	-
<b>Investigations:</b>									48.90	12,076.36	246.96	15.40	4,805.00	312.01	(33.50)	(7,271.35)
Debtor / director / senior employees	0.25	127.50	5.90	1,927.35	2.75	705.00	0.50	90.00	9.40	2,849.85	303.18	-	-	-	-	-
Books & records	0.70	339.50	0.40	120.00	24.50	6,180.00	-	-	25.60	6,639.50	259.36	-	-	-	-	-
Bank statements & analysis	-	-	-	-	8.20	1,836.00	5.70	751.00	13.90	2,587.00	186.12	-	-	-	-	-
<b>Creditors:</b>									58.68	18,573.30	316.52	27.50	9,633.00	350.29	(31.18)	(8,940.30)
Secured	3.70	1,794.50	18.80	6,093.39	9.50	2,280.00	-	-	32.00	10,167.89	317.75	-	-	-	-	-
Employees & pensions	0.70	339.50	5.90	2,314.34	4.75	1,260.00	0.50	90.00	11.85	4,003.84	337.88	-	-	-	-	-
Unsecured	5.10	2,473.50	1.00	326.67	0.25	75.00	8.48	1,526.40	14.83	4,401.67	296.80	-	-	-	-	-
<b>Administration:</b>									151.30	46,313.32	305.10	86.35	27,315.00	316.00	(64.95)	(18,998.32)
Appointment formalities	-	-	-	-	1.70	408.00	5.50	990.00	7.20	1,398.00	194.17	-	-	-	-	-
Case set-up	-	-	0.80	240.00	1.00	300.00	-	-	1.80	540.00	300.00	-	-	-	-	-
Case management	3.40	1,655.25	14.90	4,803.37	20.70	5,205.00	3.70	666.00	42.70	12,329.62	288.75	-	-	-	-	-
Reports to creditors, notices & decisions	4.90	2,401.50	11.30	3,707.37	40.70	10,815.00	2.60	468.00	69.60	17,391.87	292.30	-	-	-	-	-
Shareholders / debtor / director communications	-	-	-	-	-	-	2.00	360.00	2.00	360.00	180.00	-	-	-	-	-
Statement of affairs	-	-	-	-	0.75	225.00	-	-	0.75	225.00	300.00	-	-	-	-	-
Treasury, billing & funding	-	-	0.20	65.33	4.90	1,007.00	1.75	315.00	6.85	1,387.33	202.53	-	-	-	-	-
Tax	-	-	1.40	677.50	0.50	120.00	2.50	705.00	4.40	1,502.50	341.48	-	-	-	-	-
Pensions	-	-	13.80	6,998.50	0.25	75.00	-	-	14.05	7,073.50	503.45	-	-	-	-	-
General	2.55	1,255.50	6.50	1,950.00	3.00	900.00	-	-	12.05	4,105.50	340.71	-	-	-	-	-
<b>Total</b>	<b>32.65</b>	<b>15,891.50</b>	<b>124.30</b>	<b>42,944.65</b>	<b>171.70</b>	<b>43,371.00</b>	<b>33.23</b>	<b>5,961.40</b>	<b>361.88</b>	<b>108,168.55</b>	<b>298.91</b>	<b>198.85</b>	<b>65,479.00</b>	<b>329.29</b>	<b>(163.03)</b>	<b>(42,689.55)</b>

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Adverse variances are presented in brackets
- Total time costs paid to date: £0

**Precision Manufacturing Limited**

Area of work	Work done	Why the work was necessary	Financial benefit to creditors	Fees incurred		
<b>Assets</b>				<b>73 hrs</b>	<b>£23,486</b>	<b>£/hr320</b>
<b>Insurance</b>	<ul style="list-style-type: none"> <li>• Liaising with our insurance broker regarding the insurance of the assets</li> <li>• Obtaining information for our insurance broker, as requested</li> <li>• Updating insurance provider once remaining plant &amp; machinery sold by John Pye</li> <li>• Paying the insurance premium</li> </ul>	<ul style="list-style-type: none"> <li>• To mitigate risk from loss from an insurable event to protect creditors' interests</li> <li>• To comply with regulation and law</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>			
<b>Debtors</b>	<ul style="list-style-type: none"> <li>• Liaising with HIF in respect of its indebtedness from the CID Facility</li> <li>• Preparing the letter of authority for the Directors to collect book debts</li> <li>• Liaising with the directors in collecting pre-appointment books debts</li> <li>• Liaising with Birketts Solicitors</li> <li>• Responding to debtor queries</li> </ul>	<ul style="list-style-type: none"> <li>• To receive updates from the Directors and Birketts on collections</li> <li>• To liaise with HIF regarding collections</li> <li>• To facilitate collection of book debts by the Directors and Birketts by responding to direct debtor queries</li> </ul>	<ul style="list-style-type: none"> <li>• This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>			
<b>Plant &amp; machinery, fixtures &amp; fittings, equipment</b>	<ul style="list-style-type: none"> <li>• Assisting in securing the plant and machinery including instructing agents to inspect and secure assets</li> <li>• Liaising with John Pye regarding the auction and collection of the plant and machinery on site</li> <li>• Arranging for EMEA to securely wipe the electronic equipment prior to John Pye selling it</li> <li>• Reviewing security and insurance arrangements</li> <li>• Considering the strategy for any plant and machinery not sold</li> <li>• Managing receipt of payments following the sale of assets</li> </ul>	<ul style="list-style-type: none"> <li>• To secure and realise the plant and machinery</li> <li>• To ensure finance companies were dealt with appropriately</li> <li>• To comply with data protection regulations</li> </ul>	<ul style="list-style-type: none"> <li>• This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>			

<b>Stock &amp; WIP</b>	<ul style="list-style-type: none"> <li>• Liaising with Directors regarding the WIP and the potential values</li> <li>• Engaging in correspondence with customers, negotiating offers and conducting site visits to inspect WIP</li> <li>• Preparing invoices and collecting payments</li> </ul>	<ul style="list-style-type: none"> <li>• To maximise asset realisations</li> </ul>	<ul style="list-style-type: none"> <li>• This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>
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<b>Other assets</b>	<ul style="list-style-type: none"> <li>• Assessing a potential VAT bad debt relief claim</li> </ul>	<ul style="list-style-type: none"> <li>• To determine whether an asset exists</li> </ul>	<ul style="list-style-type: none"> <li>• This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>
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<b>General</b>	<ul style="list-style-type: none"> <li>• Considering holding costs for assets</li> </ul>	<ul style="list-style-type: none"> <li>• To determine asset realisation strategy</li> </ul>	<ul style="list-style-type: none"> <li>• This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>
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<b>Investigations</b>				<b>24 hrs</b>	<b>£6,683</b>	<b>£/hr276</b>
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<b>Books &amp; records</b>	<ul style="list-style-type: none"> <li>• Collecting the company's records and listing and providing a schedule of records collected for Director approval</li> <li>• Reviewing the company's electronic records and collating information from these. Seeking assistance from directors regarding the information required</li> <li>• Arranging for a backup of the server</li> <li>• Reviewing questionnaires received from the directors</li> <li>• Conducting a preliminary review into the affairs of the company based upon electronic and manual records</li> <li>• Submitting a statutory report</li> <li>• Liaising with John Pye regarding the safe destruction of old records</li> </ul>	<ul style="list-style-type: none"> <li>• To report on the conduct of the directors</li> <li>• To review the records held</li> <li>• To ensure a back up was taken</li> <li>• To comply with legislation</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
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<b>Bank statements &amp; analyses</b>	<ul style="list-style-type: none"> <li>• Completing a review of the company's historic bank statements</li> <li>• Analysing the inter-company creditor and debtor position</li> </ul>	<ul style="list-style-type: none"> <li>• To review the records held</li> <li>• To identify any potential intercompany assets</li> </ul>	<ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
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Creditors			46 hrs	£14,126	£/hr309
<b>Secured</b>	<ul style="list-style-type: none"> <li>Engaging in ongoing correspondence with the secured creditors as to the progress of the administration</li> <li>Considering HSBC's security position and discussing it with solicitors</li> <li>Reporting to the secured creditor in its required format at month 1 and month 3</li> <li>Requesting information and approval on various matters, including obtaining approval of the administrators' remuneration and expenses</li> </ul>	<ul style="list-style-type: none"> <li>To keep the secured creditors informed as the key stakeholders in the administration</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>		
<b>Employees &amp; pensions</b>	<ul style="list-style-type: none"> <li>Engaging ERA Solutions and attending site in relation to redundancies made</li> <li>Collecting Company property from employees, including phones and laptops. Facilitating the collection of personal belongings from site</li> <li>Liaising with employees in relation to their claims in the estate and their queries</li> <li>Responding to any incoming employee queries (e.g. regarding P45s)</li> <li>Obtaining details from ERA as to employee claims and uploading them onto the Insolvency Practitioner's system</li> </ul>	<ul style="list-style-type: none"> <li>To ensure all employee claims were dealt with appropriately</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>		
<b>Unsecured</b>	<ul style="list-style-type: none"> <li>Gathering information in relation to known unsecured creditors</li> <li>Liaising with unsecured creditors in respect of their claims in the estate and any general queries</li> <li>Writing to all creditors advising of appointment and other statutory reporting requirements</li> <li>Liaising with creditors as and when queries arise</li> </ul>	<ul style="list-style-type: none"> <li>To ensure all creditors are kept up to date with the administration</li> <li>To ensure all creditor claims are dealt with appropriately</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>		

<b>Retention of Title</b>	<ul style="list-style-type: none"> <li>Reviewing ROT claims received</li> <li>Attending site with ROT creditors to identify potential ROT assets</li> </ul>	<ul style="list-style-type: none"> <li>To ensure ROT claims were dealt with appropriately</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
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<b>Administration</b>			<b>145 hrs</b>	<b>£41,079</b>	<b>£/hr282</b>
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<b>Appointment formalities</b>	<ul style="list-style-type: none"> <li>Preparing, circulating, advertising and filing notices of appointment</li> <li>Filing appointment documents at Companies House</li> </ul>	<ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
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<b>Case set-up</b>	<ul style="list-style-type: none"> <li>Setting up and maintaining insolvency practitioners' software and transaction processing software</li> <li>Setting up document and mail merge templates for standard letters</li> <li>Calculating, completing and submitting the bordereau notification</li> <li>Collating and assessing information regarding data collection, storage, processing and destruction; implementing and maintaining any necessary data protection strategies, reporting any known issues</li> </ul>	<ul style="list-style-type: none"> <li>To capture key information and facilitate compliance with statutory requirements</li> <li>To ensure the appointees are insured and the insolvency estate is protected</li> <li>To understand the data in use, its sensitivities (if any) and to comply with data protection laws</li> <li>To comply with insolvency law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
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<b>Case management</b>	<ul style="list-style-type: none"> <li>Reviewing the case and its progress by Insolvency Practitioners and internal risk management team</li> <li>Internal planning meetings</li> <li>Preparing and updating an estimated outcome statement</li> <li>Liaising with agents regarding transfer of funds</li> </ul>	<ul style="list-style-type: none"> <li>To review the case and its progress</li> <li>To comply with insolvency law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
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<b>Reports, circulars notices &amp; decisions</b>	<ul style="list-style-type: none"> <li>Issuing written notice of appointment to all known creditors</li> <li>Drafting the proposals for achieving the purpose of administration</li> <li>Circulating the joint administrators' proposals to creditors and filing them at Companies House</li> </ul>	<ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
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	<ul style="list-style-type: none"> <li>Monitoring deemed consent of the proposals</li> <li>Preparing and issuing quarterly reports to the secured creditor</li> </ul>		
<b>Shareholders/ debtor/ director communications</b>	<ul style="list-style-type: none"> <li>Issuing questionnaires to directors</li> </ul>	<ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
<b>Statement of affairs</b>	<ul style="list-style-type: none"> <li>Requesting SOAs from the relevant Directors</li> <li>Uploading statement of affairs figures to insolvency case management software</li> <li>Removing individuals' addresses for filing at Companies House</li> </ul>	<ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> <li>To obtain an overview of the Company's financial position</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
<b>Treasury, billing &amp; funding</b>	<ul style="list-style-type: none"> <li>Freezing pre-appointment bank accounts to prevent outgoing transactions</li> <li>Raising payments for administration expenses</li> <li>Managing and maintaining the estate's bank account</li> <li>Undertaking regular bank reconciliations</li> </ul>	<ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
<b>Tax</b>	<ul style="list-style-type: none"> <li>Collecting company tax information to present to our internal tax team</li> <li>Considering the possibility of a VAT bad debt relief claim and liaising with the internal tax team</li> <li>Liaising with HMRC including the submission of statutory forms</li> <li>Submitting ongoing VAT returns</li> <li>Reviewing the company's tax liabilities to consider any potential refunds</li> </ul>	<ul style="list-style-type: none"> <li>To comply with tax legislation</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
<b>Pensions</b>	<ul style="list-style-type: none"> <li>Obtaining information on the Company's pension schemes</li> <li>Submitting claims for pension arrears</li> </ul>	<ul style="list-style-type: none"> <li>To ensure that employees continued to receive contractual benefits that they were entitled to</li> <li>To comply with pension related legislation</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>
<b>General</b>	<ul style="list-style-type: none"> <li>Holding internal planning meetings to ensure timely case progression</li> </ul>	<ul style="list-style-type: none"> <li>To ensure timely case progression</li> </ul>	<ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory</li> </ul>

- Travelling to Northampton site to oversee site activities
- To attend the Northampton premises when necessary to facilitate agents and handle ad hoc queries in person
- requirements and had no direct financial benefit to the estate

Total fees incurred in the Period	289 hrs	£85,374	£/hr296
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Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end  
Period from 29/11/2019 to 28/05/2020

Area of work	Partner		Manager		Executive		Administrator		Cumulative total as at period end			Fees estimate			Variance	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£
<b>Realisation of Assets:</b>									73.40	23,486.03	319.97	95.10	29,974.00	315.18	21.70	6,487.98
Insurance	-	-	0.50	163.34	-	-	-	-	0.50	163.34	326.67					
Debtors	-	-	5.30	1,731.35	-	-	-	-	5.30	1,731.35	326.67					
Plant & machinery, fixtures & fittings, equipment	-	-	7.40	2,265.34	0.50	120.00	-	-	7.90	2,385.34	301.94					
Stock & WIP	10.50	5,092.50	27.20	8,160.00	20.60	5,508.00	-	-	58.30	18,760.50	321.79					
Other assets	-	-	0.60	180.00	0.50	120.00	-	-	1.10	300.00	272.73					
General	0.30	145.50	-	-	-	-	-	-	0.30	145.50	485.00					
<b>Investigations:</b>									24.20	6,682.51	276.14	15.30	4,535.00	296.41	(8.90)	(2,147.51)
Books & records	0.40	194.00	1.30	416.67	8.50	2,340.00	-	-	10.20	2,950.67	289.28					
Debtor / Director / Senior Employees	0.25	127.50	3.20	1,045.34	0.75	225.00	-	-	4.20	1,397.84	332.82					
Bank statements & analysis	-	-	-	-	9.80	2,334.00	-	-	9.80	2,334.00	238.16					
<b>Creditors:</b>									45.65	14,125.98	309.44	14.40	4,394.00	305.14	(31.25)	(9,731.98)
Secured	1.50	727.50	17.50	5,668.72	8.00	1,920.00	-	-	27.00	8,316.22	308.01					
Employees & pensions	0.70	339.50	5.10	2,066.33	4.85	1,243.25	-	-	10.65	3,649.08	342.64					
Unsecured	-	-	4.00	1,306.68	0.50	120.00	1.40	252.00	5.90	1,678.68	284.52					
Retention of title	-	-	-	-	2.10	482.00	-	-	2.10	482.00	229.52					
<b>Administration:</b>									145.45	41,079.49	282.43	65.90	18,844.00	286.00	(79.55)	(22,235.49)
Appointment formalities	-	-	-	-	5.80	1,392.00	2.50	450.00	8.30	1,842.00	221.93					
Case set-up	-	-	2.80	840.00	1.00	300.00	-	-	3.80	1,140.00	300.00					
Case management	1.85	897.25	12.60	4,097.37	19.45	4,920.00	3.20	576.00	37.10	10,490.62	282.77					
Reports to creditors, notices & decisions	4.70	2,304.50	11.60	3,805.37	39.70	10,515.00	2.60	468.00	58.60	17,092.87	291.69					
Shareholders / debtor / director communications	-	-	-	-	-	-	2.00	360.00	2.00	360.00	180.00					
Statement of affairs	-	-	-	-	0.75	225.00	0.25	45.00	1.00	270.00	270.00					
Treasury, billing & funding	-	-	-	-	10.10	2,035.50	2.70	486.00	12.80	2,521.50	196.99					
Tax	-	-	1.70	779.50	0.50	120.00	3.00	965.00	5.20	1,864.50	358.56					
Pensions	-	-	2.50	1,367.50	0.25	75.00	-	-	2.75	1,442.50	524.55					
General	1.00	497.50	9.00	2,700.00	3.90	858.00	-	-	13.90	4,055.50	291.76					
<b>Total</b>	<b>21.20</b>	<b>10,325.75</b>	<b>112.30</b>	<b>36,593.51</b>	<b>137.55</b>	<b>34,852.75</b>	<b>17.65</b>	<b>3,602.00</b>	<b>288.70</b>	<b>85,374.01</b>	<b>295.72</b>	<b>190.70</b>	<b>57,747.00</b>	<b>302.82</b>	<b>(98.00)</b>	<b>(27,627.01)</b>

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Adverse variances are presented in brackets
- Total time costs paid to date: £0

## Hourly charge out rates

Time is charged in units of 6 minutes for each grade of staff used. The hourly charge out rates applied take into consideration the nature and complexity of the case and are as follows:

Grade	From 29 November 2019 to current	From 29 November 2019 to current
	Insolvency £/hr	Pensions & tax £/hr
Partner	510	510
Director	485	485
Associate director	445	445
Manager	340	340
Assistant manager	240 – 300	300
Executive	245 – 260	260
Administrator	165 – 200	165 – 200
Treasury	180	n/a

The current charge out rates have applied since 29 November 2019. We reserve the right to amend our charge out rates in the future. Any amendments will be detailed within the next report following such an amendment.

## Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the 'Work done' section above.

### Solutions Group (U.K.) plc

Category	Incurred in the Period (£)	Of which paid by the estate as at Period end (£)
<b>Category 1 disbursements</b>		
JLT - bonding	100	0
Postage	8	0
Subsistence	7	0
<b>Category 2 disbursements</b>		
Mileage	122	0
<b>Expenses</b>		
<b>Professional fees:</b>		
DLA Piper – legal fees (estimated)	6,000	0
John Pye (Agents fee and advertising)	10,639	10,639
HPR Interim Accountancy Services Limited - Preparation of SofA	375	375
ERA Solutions Limited	1,495	0
<b>Debt collection</b>	6,000	0
<b>IT Costs</b>	510	510
<b>Redirection of mail</b>	211	211
<b>Statutory advertising</b>	74	74
<b>Rates (£2,377 subsequently reimbursed by Precision)</b>	2,377	2,377
<b>Utilities (estimated)</b>	2,000	0
<b>Insurance of assets</b>	669	669
<b>Total expenses and disbursements</b>	<b>30,587</b>	<b>14,855</b>

**Precision Manufacturing Limited**

Category	Incurring in the Period (£)	Of which paid by the estate as at Period end (£)
<b>Category 1 disbursements</b>		
Parking	25	0
Subsistence	34	0
Travel	20	0
<b>Category 2 disbursements</b>		
Mileage	349	0
<b>Expenses</b>		
<b>Professional fees:</b>		
DLA Piper – pre-appointment legal fees	9,000	0
John Pye – asset agent & advertising	18,566	18,566
HPR Interim Accountancy Services Ltd – preparation of SOA	375	375
ERA Solutions Limited – employee claims agent	875	875
Debt collection	6,000	0
IT costs	2,040	2,040
Statutory advertising	74	74
Redirection of mail	211	211
Rates (contribution to cost paid to Solutions)	2,377	2,377
Utilities (estimated)	2,000	0
Marsh - Insurance of assets	392	392
<b>Total expenses and disbursements</b>	<b>42,338</b>	<b>24,910</b>

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

**Category 1 disbursements**

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example



- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the joint administrators' receipts and payment account at Appendix A.

#### Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holders' remuneration.

To the extent that recovery of category 2 disbursements is sought, this will be for mileage only.

Mileage is charged at 45p a mile. VAT is added as appropriate. Details of these costs are also provided in the table above.

#### Sub-contracted out work

During the Period we have sub-contracted out the following work that could otherwise have been carried out by us or our team:

##### Solutions Group (U.K.) plc

Sub-contractor	Work sub-contracted out	Reason(s) for sub-contracting out	Cost incurred (£)
ERA Solutions Limited	• Employment rights advice	• Specialist nature of work	1,495
Directors	• Debt collection	• Cost benefit	6,000

##### Precision Manufacturing Limited

Sub-contractor	Work sub-contracted out	Reason(s) for sub-contracting out	Cost incurred (£)
ERA Solutions	• Employment rights advice	• Specialist nature of work	875
Directors	• Debt collection	• Cost benefit	6,000

#### Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has a business or personal relationship:

#### Solutions Group (U.K.) plc

Service provider	Services enlisted	Cost of service
Grant Thornton UK LLP	<ul style="list-style-type: none"><li>• Tax work/advice (narrative is included within the above narrative of work done)</li><li>• Pensions work/advice (narrative is included within the above narrative of work done)</li></ul>	<ul style="list-style-type: none"><li>• Costs are included within the above SIP9 time cost analysis</li></ul>

#### Precision Manufacturing Limited

Service provider	Services enlisted	Cost of service
Grant Thornton UK LLP	<ul style="list-style-type: none"><li>• Tax work/advice (narrative is included within the above narrative of work done)</li><li>• Pensions work/advice (narrative is included within the above narrative of work done)</li></ul>	<ul style="list-style-type: none"><li>• Costs are included within the above SIP9 time cost analysis</li></ul>

#### Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the joint administrators' fee basis, or who provide services to us as joint administrators, which may give rise to a potential conflict.

#### Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.granthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.

## C Statutory information

### Solutions Group (U.K.) Plc

#### Company information

Company name	Solutions Group (U.K.) plc
Date of incorporation	5 December 1990
Company registration number	02565454
Former trading addresses	<p>Unit 5, Redbourne Park Liliput Road Brackmills Industrial Estate Northampton NN4 7DT</p> <p>Unit 2, Dryden Road Loanhead Edinburgh EH20 9LZ</p> <p>Unit 13, Greenhill Business Park Greenhill Road Paisley PA3 1RQ</p> <p>Unit 9, Fleetsbridge Business Centre Upton Road Poole Dorset BH17 7AF</p> <p>Unit 701A, Tudor Estate Abbey Road Park Royal London NW10 7UN</p>
Former registered office	Unit 5, Redbourne Park, Liliput Road, Brackmills Industrial Estate, Northampton, NN4 7DT
Present registered office	<p>Grant Thornton UK LLP 4 Hardman Square Spinningfields Manchester M3 3EB</p>

#### Administration information

Administration appointment	The administration appointment granted in the High Court of Justice, Insolvency and Companies List, 000938 of 2019
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Appointor	the Directors
Date of appointment	29 November 2019
Joint administrators' names	Eddie Williams Jon L Roden
Joint administrators' address(es)	Colmore Building, Colmore Circus, Birmingham, B4 6AT
Purpose of the administration	Realising property in order to make a distribution to one or more secured or preferential creditors
Estimated values of the net property and prescribed part	The Company's net property is estimated to be £nil. The prescribed part is therefore also estimated to be nil
Prescribed part distribution	The joint administrators do not intend to apply to court to obtain an order that the prescribed part shall not apply Therefore, the joint administrators do not intend to make a distribution to the unsecured creditors.
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them.
Current administration expiry date	28 November 2020

# Precision Manufacturing Limited

## Company information

Company name	Precision Manufacturing Limited
Date of incorporation	27 October 2009
Company registration number	07058312
Former trading address	Unit 5, Redbourne Park Liliput Road Brackmills Industrial Estate Northampton NN4 7DT
Former registered office	Unit 5, Redbourne Park Liliput Road Brackmills Industrial Estate Northampton NN4 7DT
Present registered office	Grant Thornton UK LLP 4 Hardman Square Spinningfields Manchester M3 3EB

## Administration information

Administration appointment	The administration appointment granted in the High Court of Justice, Insolvency and Companies List, 000939 of 2019
Appointor	the Directors
Date of appointment	29 November 2019
Joint administrators' names	Eddie Williams Jon L Roden
Joint administrators' address	Grant Thornton UK LLP, Colmore Building, Colmore Circus, Birmingham, B4 6AT
Purpose of the administration	Realising property in order to make a distribution to one or more secured or preferential creditors.
Estimated values of the net property and prescribed part	The Company's net property is estimated to be below the prescribed minimum of £10k. The prescribed part will therefore be nil.
Prescribed part distribution	The joint administrators do not intend to apply to court to obtain an order that the prescribed part shall not apply, as we anticipate that there will be insufficient funds to make a distribution under the floating charge, and as such the prescribed part will not apply. Therefore, the joint administrators do not intend to make a distribution to the unsecured creditors.
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them.
Current administration expiry date	28 November 2020

## D Notice about this report

This report has been prepared by Eddie Williams, the joint administrator of Solutions Group (U.K.) plc & Precision Manufacturing Limited – in administration, solely to comply with the joint administrators' statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Companies.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 do so at their own risk. To the fullest extent permitted by law, the joint administrators do not assume any liability in respect of this report to any such person.

Please note that we are both authorised by The Institute of Chartered Accountants in England and Wales to act as insolvency practitioners.

The joint administrators are bound by the Insolvency Code of Ethics.

The joint administrators act as agents for the Companies and contract without personal liability. The appointment of the joint administrators is personal to them and to the fullest extent permitted by law, Grant Thornton UK LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

Please note you should read this progress report in conjunction with the joint administrators' previous progress reports and proposals issued to the Companies creditors, which can be found on the Grant Thornton portal (<https://www.grantthornton.co.uk/portal/>). Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT. For definitions of abbreviations please refer to the 'Definitions' table at the start of this progress report.

**Precision Manufacturing Limited - In Administration**

**Notice of vote by correspondence**

Company name	Precision Manufacturing Limited
Company number	07058312
Court name and number	High Court of Justice, Insolvency and Companies List 000939 of 2019
Decision date	10 July 2020

NOTICE IS HEREBY GIVEN that under paragraph 98 of Section B1 of the Insolvency Act 1986 and rules 18.16 and 18.18 of the Insolvency (England and Wales) Rules 2016, decisions of the preferential creditors are sought as follows:

1. That the remuneration of the joint administrators be fixed according to the time properly spent by the Joint Administrators and their staff
2. That the joint administrators out of pocket expenses at cost; mileage is charged at 45p per mile, be approved.
3. That DLA Piper's pre administration costs of £9,000 plus VAT be approved
4. The joint administrators be discharged from liability in accordance with paragraph 98 of Schedule B1 to the Insolvency Act 1986 with effect from 14 days after I send my final report to creditors

A creditor who is entitled to vote should return the voting form provided with this notice to Eddie Williams at Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB or as an attachment to an email to [cmu@uk.gt.com](mailto:cmu@uk.gt.com) no later than 23:59 on the decision date.

In order for a creditor's vote to be valid a proof of debt must be received no later than the decision date, failing which the creditor's vote will be disregarded. A proof of debt should be delivered to Eddie Williams at Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB or as an attachment to an email to [cmu@uk.gt.com](mailto:cmu@uk.gt.com). A new proof of debt is not required if you have previously submitted one in the proceedings. A proof of debt form is enclosed for completion if required.

A creditor whose debt is treated as a small debt in accordance with rule 14.31(1) of the Insolvency (England and Wales) Rules 2016 must deliver a proof of debt if they wish to vote, unless a proof of debt has previously been submitted, failing which the vote will be disregarded.

A creditor who has opted out from receiving notices may nevertheless vote if a proof of debt is delivered, unless a proof of debt has previously been submitted, failing which the vote will be disregarded.

A vote cast in a decision procedure which is not a meeting may not be changed.

A decision of the convenor is subject to appeal to the court by any creditor in accordance with rule 15.35 of the Insolvency (England and Wales) Rules 2016. An appeal under this rule may not be made later than 21 days after the decision date.

A physical meeting will be held to replace this vote by correspondence if requested not later than five business days after the date of delivery of this notice by not less than one of the following:

- 10% in value of the creditors
- 10% in number of the creditors
- 10 creditors.

DATED THIS 23th day of June 2020

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Eddie Williams  
Joint Administrator



## VOTING FORM

Company name

Precision Manufacturing Limited

Please delete as appropriate if you are for or against the resolutions below.

This form must be received at Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB or as an attachment to an email to [cmu@uk.gt.com](mailto:cmu@uk.gt.com) by 23.59 on 10 July 2020 in order to be counted. It must be accompanied by a proof of debt, unless you have previously submitted a proof of debt, failing which your vote will be disregarded.

### Resolution(s)

- 1 That the remuneration of the joint administrators be fixed according to the time properly spent by the Joint Administrators and their staff  
For/Against
- 2 That the joint administrators out of pocket expenses at cost; mileage is charged at 45p per mile, be approved.  
For/Against
- 3 That DLA Piper's pre administration costs of £9,000 plus VAT be approved  
For/Against
- 4 The joint administrators be discharged from liability in accordance with paragraph 98 of Schedule B1 to the Insolvency Act 1986 with effect from 14 days after I send my final report to creditors  
For/Against

### TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor

Signature

Date (DD/MM/YYYY)

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

If you require any further details or clarification prior to returning your vote, please contact Jenna Carr at the address above. Please note that once cast, a vote cannot be changed or withdrawn

Office use only:

Date Completed form received  
(DD/MM/YYYY)

Initial

# Disclaimer

This Progress Report has been prepared by the joint administrators of Solutions Group (U.K.) plc, solely to comply with the statutory duty under rule 18.3 of the the Insolvency (England and Wales) Rules 2016 to report to creditors on the joint administrator progress on 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 outcome for creditors included in this Progress Report is illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors. Any person that chooses to rely on this report for any purpose or in any context other than the aforementioned rule 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 to this report.



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