

AM03

Notice of administrator's proposals



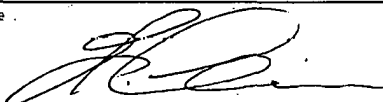
Companies House



1	Company details		→ Filling in this form Please complete in typescript or in bold black capitals.
Company number	0 2 7 6 5 2 9 1		
Company name in full	Mercol (Office Furniture) Limited		
2	Administrator's name		
Full forename(s)	Mark		
Surname	Colman		
3	Administrator's address		
Building name/number	Leonard Curtis		
Street	20 Roundhouse Court		
	South Rings Business Park		
Post town	Bamber Bridge		
County/Region	Preston		
Postcode	P R 5 6 D A		
Country			
4	Administrator's name ①		
Full forename(s)	Megan		① Other administrator Use this section to tell us about another administrator.
Surname	Singleton		
5	Administrator's address ①		
Building name/number	Leonard Curtis		② Other administrator Use this section to tell us about another administrator.
Street	20 Roundhouse Court		
	South Rings Business Park		
Post town	Bamber Bridge		
County/Region	Preston		
Postcode	P R 5 6 D A		
Country			

AM03

Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7	Sign and date	
Administrator's Signature	<div>Signature</div> <div><input checked="" type="checkbox"/> </div> <div><input checked="" type="checkbox"/></div>	
Signature date	<div><div>d 2 d 3</div><div>m 0 m 7</div><div>y 2 y 0 y 2 y 0</div></div>	

AM03 Notice of Administrator's Proposals



Presenter information

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

Contact name	Alnur Miah
Company name	Leonard Curtis
Address	20 Roundhouse Court
	South Rings Business Park
	Bamber Bridge
Post town	Preston
County/Region	
Postcode	P R 5 6 D A
Country	
DX	
Telephone	01772 646180



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**MERCOL (OFFICE FURNITURE) LIMITED
(IN ADMINISTRATION)**

Registered Number: 02765291

Court Ref: CR-2020-MAN-000610

High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List
(CHD)

**Joint Administrators' Report and Statement of Proposals in accordance
with Para 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of
the Insolvency (England and Wales) Rules 2016**

Report date: 23 July 2020

Date report deemed to be delivered to creditors: 27 July 2020

Decision date: 11 August 2020

Leonard Curtis contact details:

20 Roundhouse Court, South Rings Business Park, Bamber Bridge,
Preston, PR5 6DA

Tel: 01772 646180 Fax: 01772 646181

General email: alnur.miah@leonardcurtis.co.uk

Email for requests for a physical meeting: Preston.meetingreq@leonardcurtis.co.uk

Ref: P/28/ALM/MB20M/1040

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**TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL EMPLOYEES
ALL MEMBERS**

1 INTRODUCTION

General information

- 1.1 I refer to the appointment of Megan Singleton and I as Joint Administrators ("the Joint Administrators") of Mercol (Office Furniture) Limited ("the Company") on 18 June 2020 and now write to present the Joint Administrators' proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act").
- 1.2 Para 3 of Schedule B1 to the Act requires administrators to perform their functions with the objective of:
- a) Rescuing the company as a going concern; or
 - b) Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
 - c) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.3 I can confirm that in this case the Administrators are of the opinion that the Company has sufficient property to enable a distribution to be made to unsecured creditors. Accordingly they are required to seek a decision from the Company's creditors as to whether they approve these Proposals. The Administrators are also required to ask the creditors to determine, amongst other things, the basis upon which the Joint Administrators will draw their remuneration and Category 2 disbursements. It is our intention to seek these decisions by correspondence as provided for by the Act and Rules. Formal Notice of this Decision Procedure is attached at Appendix I. A voting form is attached at Appendix J. This form should be completed and returned to this office by 23:59 on the Decision Date, being **11 August 2020**, with a completed proof of debt form (attached at Appendix K) or your vote will be disregarded, as will any forms returned after the decision date.
- 1.4 Creditors meeting the following minimum criteria may request in writing that the decisions be made at a creditors' meeting, rather than by correspondence:
- a) 10% in value of the creditors; or
 - b) 10% in number of the creditors; or
 - c) 10 creditors
- Such a request must be made not later than five business days after the date on which these Proposals were delivered. The deemed date of delivery of this report is given on the front page. Requests should ideally be made to Preston.meetingreq@leonardcurtis.co.uk.
- 1.5 In the event that no such request is received, the Joint Administrators will, as soon as reasonably practicable after the Decision Date specified on 1.3 above, report to creditors on the decisions taken.

Notice of an Invitation to Creditors to Form a Creditors' Committee

- 1.6 Creditors are entitled to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of that committee.
- 1.7 Attached at Appendix L is Notice of an Invitation to Form a Creditors' Committee. Any nominations must be delivered to the Joint Administrators by the Decision Date shown on the front of this report and can only be accepted if the Administrators are satisfied as to the creditors' eligibility under Rule 17.4 of the Rules.

- 1.8 In order to assist creditors in making an informed decision on whether they wish to be nominated to serve on a committee, creditors are encouraged to access the document below, which provides information on the rights, duties and functions of creditors' committees.

<https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>

2 STATUTORY INFORMATION

- 2.1 The Administration proceedings are under the jurisdiction of the High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) under Court reference CR-2020-MAN-000610.
- 2.2 During the period in which the Administration Order is in force, any act or function required or authorised to be done by the Joint Administrators may be exercised by both or either of them.
- 2.3 The Company's registered office was changed from Primrose Mill, Ratcliffe Street, Darwen, BB3 2BZ, to 20 Roundhouse Court, South Rings Business Park, Bamber Bridge, Preston, PR5 6DA, on 6 July 2020. The registered number is 02765291. The Company traded as its registered name.
- 2.4 The Company operated from the freehold premises situated at Primrose Mill, Ratcliffe Street, Darwen, BB3 2BZ.
- 2.5 The Company's directors and secretary are:

Name	Role	Date Appointed
Mr Stephen West	Company secretary	17 November 1992
Mr Stephen West	Director	31 January 2000
Mr Colin West	Director	17 November 1992
Mrs Barbara Geraldine West	Director	31 January 2000

- 2.6 The Company's authorised share capital is £114.00. The issued share capital comprises 114 Ordinary £1 Shares, the shares being owned as follows:

Name	Class of Share	No. of Shares	% of Total Owned
Mrs Barbara Geraldine West	Ordinary A	25	21.93
Mr Colin West	Ordinary B	25	21.93
Mr Robert West	Ordinary C	38	33.34
Mercol Office Furniture SSAS AJ Bell Business Solutions Limited	Ordinary A	13	11.40
Mercol Office Furniture SSAS AJ Bell Business Solutions Limited	Ordinary B	13	11.40
		114	100%

- 2.7 According to the information registered at Companies House, the Company has the following registered charges:

Chargeholder	Date created	Description	Amount secured £	Assets Charged
Positive Cashflow Finance Limited ("Positive")	19 January 2016	Debenture	401,886.52	Fixed and floating charges over the Company's properties present and future.

Positive Cashflow Finance Limited ("Positive")

Positive holds security in the form of a debenture incorporating fixed and floating charges over the Company's properties present and future. The debenture was created on 19 January 2016 and registered with Company's house on 20 January 2016.

It is understood that Positive provided a loan of £250,000 to the Company together with a factoring facility against the Company's book debt ledger.

Positive have confirmed that as at 15 July 2020, the balance due to Positive under the loan is £252,264.03 including interest and charges. Positive have also confirmed that as at 15 July 2020, the Company's debtor ledger was £298,874.10 with a balance of £55,764.08 due to the Positive under the funding agreement plus interest and charges of £93,858.41 including VAT.

It is anticipated that Positive will be repaid in full from the insolvency proceedings.

- 2.8 The EC Regulation on Insolvency Proceedings 2015 applies to this Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION

- 3.1 The Company was incorporated on 17 November 1992.
- 3.2 The Company's registered office and freehold trading address is Primrose Mill, Ratcliffe Street, Darwen, BB3 2BZ.
- 3.3 The Company's principle trading activity was manufacturing office furniture for office, education and accommodation. The Company operated with modern factory fit plant and machinery producing quality products for its clients.
- 3.4 The Company operated with 59 employees, 35 of which had been placed on furlough due to the current COVID-19 pandemic. The Company was forced to cease its trading activities for a period of time due to the pandemic.
- 3.5 Due to current circumstances including the closure of schools, demand for the Company's products has diminished significantly. It should be noted that a large percentage of the Company's clients are based in the education sector.
- 3.6 The above has had a significant impact on the Company's cash flow and as a result of this, the Company has been unable to pay its trade suppliers and employees.

Mercol (Office Furniture) Limited - In Administration

- 3.7 The directors of the Company therefore sought insolvency advice, including from Leonard Curtis ("LC") on the current financial position of the Company and the options available to it.
- 3.8 The directors concluded that the Company is insolvent and that immediate steps should be taken to protect the Company's assets and the position of the creditors.
- 3.9 On 8 June 2020, the Company officially ceased to trade and all 59 employees were made redundant.
- 3.10 On the same date, the directors swore a Notice of Intention to Appoint Administrators ("NOI"). The same was filed in Court on 9 June 2020 and served on Positive and other relevant parties.
- 3.11 On 18 June 2020, in accordance with paragraph 26(2) of Schedule B1 to the Insolvency Act 1986, the Notice of Appointment was given by the Company's director and filed at the High Courts of Justice, Business and Property Courts in Manchester – Company & Insolvency List (CHD) on the same date.
- 3.12 Mark Colman and Megan Singleton are licensed by the Institute of Chartered Accountants in England and Wales. In accordance with paragraph 100(2) of the Insolvency Schedule B1 to the Act, the function of the Joint Administrators may be exercised by either or both, acting jointly or alone.

4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

- 4.1 The Company's trading results for the years ended 30 December 2018, 2017 and 2016 are detailed below:

	Year ended 30 December 2018 £	Year ended 30 December 2017 £	Year ended 30 December 2016 £
Turnover	4,845,837	5,297,282	4,842,814
Cost of Sales	<u>(3,416,743)</u>	<u>(3,593,448)</u>	<u>(3,256,020)</u>
Gross Profit	1,429,094	1,703,834	1,586,794
Distribution Costs	(915,366)	(812,139)	(743,833)
Administrative expenses	(900,708)	(834,730)	(805,667)
Other Operating Income	<u>719</u>	<u>719</u>	<u>719</u>
Operating Profit/(Loss)	(386,261)	57,684	38,013
Interest and charges	<u>(11,179)</u>	<u>(3,112)</u>	<u>(7,481)</u>
Profit/(Loss) before tax	(397,440)	54,572	30,532
Taxation	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
Profit for the year	(397,440)	54,572	30,532
Dividends	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
Retained profit	<u>(397,440)</u>	<u>54,572</u>	<u>30,532</u>

4.2 The balance sheets as at 30 December 2018, 2017 and 2016 are detailed below:

	As at 30 December 2018 £	As at 30 December 2017 £	As at 30 December 2016 £
Fixed Assets			
Intangible Assets	30,200	45,600	57,600
Tangible Assets	620,116	591,628	565,138
Investments	5,868	5,868	5,868
	<u>656,184</u>	<u>643,096</u>	<u>628,606</u>
Current Assets			
Stocks	418,112	310,872	318,621
Debtors	1,331,655	1,256,394	1,347,286
Cash at bank and in hand	15,574	10,135	3,174
Total Current Assets	<u>1,765,341</u>	<u>1,577,401</u>	<u>1,669,081</u>
Creditors: Amounts Falling due within one year	<u>(1,991,769)</u>	<u>(1,380,997)</u>	<u>(1,499,541)</u>
Total Assets less Current Liabilities	429,756	839,500	798,146
Creditors: Amounts falling due after more than year	(283,824)	(296,128)	(309,346)
Total Net Assets	<u>145,932</u>	<u>543,372</u>	<u>488,800</u>
Represented by			
Called up share capital	114	114	114
Share premium account	581,540	581,540	581,540
Revaluation reserve	132,350	132,350	132,350
Profit and Loss account	(568,072)	(170,632)	(225,204)
Shareholders' Funds	<u>145,932</u>	<u>543,372</u>	<u>488,800</u>

4.3 No draft or management accounts have been prepared since the last accounts were filed at Companies House

Statement of Affairs

4.4 The directors are required to lodge a statement of affairs as at 18 June 2020 which has to be filed with the Registrar of Companies. This document has not yet been received. Please note that the directors have sought assistance in this regard, as such, the Company's former accountants, Hindle Jepson & Jennings Limited have been instructed to assist in this regard and an extension to lodge the statement of affairs was granted. Pursuant to rule 3.34 of the Insolvency Rules 2016, the Joint Administrators are required to contribute towards the costs of the preparation of the Statement of Affairs.

In the meantime, an estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.

Please note that no provision has been made in the estimated financial position for costs and expenses of realisation, the costs of the Administration and any corporation tax which may be payable. The following comments are considered to be relevant and should be borne in mind when reading the figures:

Secured Creditor

4.5 Positive Cashflow Finance Limited ("Positive")

As detailed earlier, Positive holds security in the form of a debenture incorporating fixed and floating charges over the Company's properties present and future. The debenture was created on 19 January 2016 and registered with Company's house on 20 January 2016.

It is understood that Positive provided a loan of £250,000 to the Company together with a factoring facility against the Company's book debt ledger.

Positive have confirmed that as at 15 July 2020, the balance due to Positive under the loan is £252,264.03 including interest and charges. Positive have also confirmed that as at 15 July 2020, the Company's debtor ledger was £298,874.10 with a balance of £55,764.08 due to the Positive plus interest and charges of £93,858.41 including VAT. The total amount due to Positive as at 15 July 2020 is £401,886.52. This is subject to slight variation due to interest being charged daily.

It is anticipated that Positive will be repaid in full from the insolvency proceedings.

Prescribed Part

- 4.6 Based upon the information currently available, it is envisaged that the secured creditor will be repaid in full under their fixed charge and as such, there is no requirement to set aside a Prescribed Part in this case.

Preferential Claims

- 4.7 The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay and certain pension contributions. The Joint Administrators instructed Evolve IS Limited ("Evolve") to assist the Company's former employees with making claims for redundancy and to calculate the their preferential and non-preferential claims. Evolve have estimated that preferential claims in this regard will total £83,079. It is anticipated that there will be further amounts due in terms of unpaid pension contributions which hold preferential status.

It is envisaged that the preferential creditors will be repaid in full in this case however the timing of such distribution is uncertain at this time.

Unsecured Claims

- 4.8 Based upon the information currently available, it is anticipated that there will be sufficient funds available to allow a dividend to be paid to unsecured creditors. This may be paid in the administration with the consent of the court or by a subsequently appointed Liquidator, should liquidation be the appropriate exit route from the administration process. Creditors are asked to forward full details of their claims using the proof of debt form attached at Appendix K.

Receipts and Payments

- 4.9 A receipts and payments account for the period of Administration to date is enclosed at Appendix C.

5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT

Sale of Business

- 5.1 Prior to and upon appointment, the administrators investigated the possibility of concluding a sale of what remained of the business and assets as it was considered that a sale of all or part of the business as a going concern would allow the following:

- Enhanced asset values; and
- The potential of customer continuity and resultant improved debtor collections.

The Joint Administrators instructed agents, Charterfields Limited ("Charterfields") to value the Company's assets and to market the Company's business and assets for sale.

On 18 June 2020, the Joint Administrators together with Charterfields commenced a marketing exercise for the sale of the Company's business and assets and a deadline of 17:00 on 24 June 2020 was imposed. Charterfields commenced marketing via a flyer which was uploaded to Charterfields' website which they have advised receives a significant volume of traffic. An email shot was also sent out to Charterfields' database of potential interested parties. A marketing flyer was also uploaded on Leonard Curtis' website and an email shot was sent out to Leonard Curtis' extensive database of potential interested parties.

Charterfields have advised that 18 unconnected parties had shown interest and made enquiries following which a number of offers were received to acquire a combination of assets only, the Company's freehold property only and assets and property together.

No offers were received for the business and assets as a whole and as such, a sale was not possible in this regard.

Freehold Property

- 5.2 The Company owns freehold property situated at Primrose Mill, Ratcliffe Street, Darwen, BB3 2BZ ("the Property").

Charterfields were instructed to value the Company's Property and tangible assets and advise on the optimum realisation strategy. Charterfields have advised that the Property comprises industrial premises dating back to 1905 which underwent comprehensive refurbishment in 1998.

A valuation of the Property has been obtained and the Property is currently being marketed by Charterfields. Please note that following the marketing campaign, an offer was received which Charterfields have recommended acceptance of. An exchange of contracts took place on 3 July 2020 and it is anticipated that a sale will be completed on 24 July 2020. The valuation and offer received are considered to be commercially sensitive and cannot be disclosed at this time.

An update on the sale of the Property will be provided to creditors in the Joint Administrators' next progress report.

Factored Book Debts

- 5.3 In addition to the above, the Company had a book debt ledger which was subject to a factoring agreement with Positive. As at the date of administration the gross value of the outstanding ledger was £298,874.10. Positive have confirmed that of this amount, £183,353.98 is aged and £36,461.20 is disputed. Positive have confirmed that to date, £12,768.45 has been collected. We have made a full provision for the disputed debts and provided a 25% provision against the aged debtors giving an estimated collectable balance of £203,805.95

In this regard, Positive have confirmed that £149,622.49 is currently due to them. Of this amount £93,858.41 relates to charges and interest including VAT.

The Joint Administrators will instruct the Company's directors to assist with the collection of the reassigned debtor ledger. It is considered appropriate and cost effective to instruct the directors in this regard, as opposed to a collection agency, given their prior knowledge and experience with the Company's debtors.

Office Furniture and Equipment

- 5.4 Charterfields have advised that the Company owns office furniture and equipment we understand to have been manufactured in-house by the Company itself. Charterfields attribute a market value in-situ of £6,000 and a market value ex-situ of £4,000 to this category of asset. Please note that the offer received for the Property as mentioned above, includes an additional offer of £150,000 plus VAT for the Company's office furniture and equipment together with the unencumbered plant and machinery as detailed below. This sale is anticipated to be completed on 24 July 2020.

Unencumbered Plant and Machinery

- 5.5 The Company's balance sheet as at 30 December 2018 provides a book value of £110,473 to the Company's unencumbered plant and machinery.

Charterfields have advised that this category of asset comprises of various woodworking machines and equipment used for the manufacture of wooden components. The equipment appears to be in reasonable condition and is in most cases well maintained.

Charterfields have attributed a market value in-situ of £156,000 and a market value ex-situ of £120,000 to this category of asset.

As above, the offer received for the Property included an additional offer of £150,000 plus VAT for the Company's office furniture and equipment together with the plant and machinery. A sale is anticipated to be completed on 24 July 2020.

Encumbered Plant and Machinery

- 5.6 Charterfields have advised that the Company possesses a piece of machinery which is subject to finance with Quantum Funding Limited. Charterfields advised that they estimate the value of the machine to be in the region of £40,000 whilst the outstanding settlement on such agreement is £22,500. As such, equity totalling around £17,500 is anticipated to be available to the Administration estate.

Intellectual Property ("IP")

- 5.7 Charterfields have advised that following their marketing campaign, two offers of £10,000 and £25,000 were received for the Company's IP. Charterfields have recommended acceptance of larger offer. It is anticipated that a sale will be completed shortly.

Stock

- 5.8 The Company's balance sheet as at 30 December 2018 provides a book value of £418,112 to the Company's stock. Charterfields have advised that the cost value of the remaining stock according to the director is £350,000. The stock comprises of various sheet material such as chip board, plywood and MDF. Charterfields have further advised that upon inspection, it became clear that much of the stock have been at the premises for some time and may not retain any value.

Charterfields have attributed a market value in-situ of £105,000 and a market value ex-situ of £35,000 to this category of asset.

Charterfields have advised that a substantial portion of the stock was subject to a number of retention of title claims. An offer of £20,000 was received for the remaining stock. Charterfields recommended acceptance of the offer considering depletion of the stock following successful retention of title claims. It is anticipated that a sale will be completed shortly.

Investments

- 5.9 The Company's balance sheet as at 30 December 2018 provides a book value of £5,868 to the Company's investments. The directors have advised that this relates to an investment the Company in another connected company further details of which are yet to be provided to the Joint Administrators. It is not currently anticipated that there will be any realisations in this regard.

Retention of Title Claims ("ROT")

- 5.10 As detailed above, the Joint Administrators have received a number of ROT claims for the Company's stock. These claims have been dealt with by Charterfields and where ROT claims are valid, credit will be received for the returned stock.

Professional Advisors and Subcontractors Used

- 5.11 On this assignment the Joint Administrators have used the professional advisors listed below.

Name of Professional Advisor	Service Provided	Basis of Fees
Harrison Drury Solicitors ("Harrison Drury")	Legal advice and drafting sales contract for sale of Property	Time costs
Charterfields	Asset valuation advice and sale	% of realisations and disbursements
Hindle Jepson & Jennings Ltd	Preparation of the Statement of Affairs	Fixed Fee
Bishops Chartered Accountants	Calculation and submission of Capital Gains Tax on the sale of the Property	Fixed Fee
Evolve IS Limited ("Evolve")	Handling of employee claims and pension advice	Fixed Fee
The Directors	Assisting with collecting any reassigned debtor ledger	% of realisations

Harrison Drury

Harrison Drury have been instructed to draft the appointment documents, provide legal advice, draft the sale contract for the Property and review the security position in relation to Positive's security. It was considered appropriate to instruct Harrison Drury in this regard given their qualifications and expertise in the legal field.

Charterfields

As advised earlier, Charterfields were instructed to provide a valuation of the Company's assets to market the Company's business and assets as a going concern. Charterfields have been instructed to provide the Joint Administrators with advice on the optimal strategy for realisation of the Company's physical assets. It was considered appropriate to instruct Charterfields in this regard given that they are RICS registered and given their experience in this field.

Hindle Jepson & Jennings Ltd ("HJJ")

HJJ were instructed to assist with the preparation of the Statement of Affairs and provide advice on the Company's pre-appointment tax position and calculate any tax on the sale of the Property. It is considered appropriate to instruct HJJ in this regard given their prior knowledge, experience and relationship with the Company.

Bishops Chartered Accountants ("Bishops")

Bishops will be instructed to assist with calculating any capital gains tax on the sale of the Property. It is considered appropriate to instruct Bishops in this regard given their expertise in the area.

Evolve

As detailed earlier, Evolve have been instructed to assist with the Employee claims and their pensions. It is deemed cost effective to instruct Evolve to deal with the employee claims on behalf of the proposed Joint Administrators given their experience and expertise in this area.

The Directors

Following completion of Positive's collection exercise, the Joint Administrators will instruct the Company's director to assist with collecting the reassigned ledger. It is considered appropriate and cost effective to instruct the directors in this regard given their prior knowledge and relationship with the Company's debtors.

Details of this firm's policy regarding the choice of advisors and the basis for their fees are given in Appendix H.

6 ACHIEVING THE PURPOSE OF ADMINISTRATION

- 6.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- (a) rescuing the Company as a going concern, or (if this cannot be achieved);
 - (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or (if (a) and (b) cannot be achieved);
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- 6.2 The first objective is not considered to be capable of being achieved given the extent of historic liabilities.
- 6.3 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration). In the opinion of the Joint Administrators, this objective is likely to be achieved as there is a reasonable prospect of a dividend being available to unsecured creditors which would not have been the case if the Company had been wound up without first being in administration.
- 6.4 The third objective is to realise property in order to make a distribution to secured or preferential creditors. In the event that the second objective cannot be achieved, the third purpose will be achieved as it is envisaged that the secured creditor will be repaid in full.
- 6.5 The Administration has been, and will continue to be financed by monies received from asset realisations.

7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE

- 7.1 The Joint Administrators' Proposals for achieving the objective of Administration are attached at Appendix A.
- 7.2 The Joint Administrators have considered the various options available to the Company. As previously stated, based on information currently available, the Joint Administrators consider that realisations may be sufficient to enable a dividend to be paid to unsecured creditors. In this situation, the Joint Administrators may apply to court for permission to make such a distribution in the administration. Alternatively, if considered preferable, on completion of the Administration, the Joint Administrators will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation ("CVL").
- 7.3 In the event that the Joint Administrators choose to place the Company into CVL, the Proposals provide that the Joint Administrators in office at the date of conversion to CVL will become the (Joint) Liquidator(s) in the CVL. Creditors may nominate a different person to be Liquidator provided that the nomination is made after receipt of the Proposals and before they are approved.

8 EXTENSION OF ADMINISTRATION

- 8.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 8.2 In certain circumstances it may be necessary to extend the Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding twelve months with the consent of:
- each secured creditor of the Company; and
 - if the company has unsecured debts, the unsecured creditors of the Company.
- 8.3 It is uncertain at this time whether an extension will be required. It should be noted that given the current circumstances surrounding COVID-19, certain tasks are taking longer than usual. The appropriate body of creditors will be contacted in due course should an extension be required.

9 PRE-ADMINISTRATION COSTS

- 9.1 Pre-administration costs are defined as:

- Fees charged; and
- Expenses incurred

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

- 9.2 Time charged and expenses incurred by the Joint Administrators and their agents and solicitors in the period prior to their appointment are summarised below:

Mercol (Office Furniture) Limited - In Administration

Charged by	Services provided	Total amount charged £	Amount paid £	Amount unpaid £
Leonard Curtis	Assessing the financial position of the Company, dealing with the appointment papers and formalities. Marketing for sale the business and assets of the Company and liaising with interested parties in respect of the same. Reviewing debtor ledger.	58,083.00	-	58,083.00
Charterfields Limited	Valuation of assets and marketing the business and assets for sale as going concern.	4,463.75	-	4,463.75
Harrison Drury Solicitors	Drafting and filing the Notice of Intentions to Appoint Administrators, drafting the appointment documents and providing legal advice.	2,140.00	-	2,140.00
Harrison Drury Solicitors	Legal Disbursements	68.00	-	68.00
Evolve IS Limited	Costs of consultation with the employees and assisting the 59 employees with making claims for redundancy including a number of site visits.	2,740.00	-	2,740.00
Total		67,494.75	-	67,494.75

9.4 Enclosed at Appendix D is an analysis of the Joint Administrators' pre-administration costs. The analysis shows that total pre-administration time costs of £58,083.00 have been incurred which represents 127.5 hours at a rate of £455.55.

9.5 On 8 June 2020, the Company's directors formally engaged Leonard Curtis to take steps to place the Company in Administration. The directors agreed that the fees incurred in this regard were for services provided for the benefit of the creditors of the Company and, where possible, should be paid prior to our appointment.

9.6 **Work undertaken by Leonard Curtis**

In the period prior to the Administration, Leonard Curtis provided insolvency advice to the Company and carried out an assessment of their financial position with a view to establishing the appropriate insolvency procedure for the Company.

The proposed Administrators evaluated the Company's financial position and advised that the directors would be required to take immediate action unless further funding could be introduced.

The work undertaken included, but was not limited to:

- Dealing with pre-appointment formalities;
- Liaising with the directors and former employees of the Company in order to obtain the Company's financial information;
- Analysing financial information provided by the Company;
- Attending on site to obtain Company information;
- Attending a number of meetings with the directors;
- Liaising with the director to arrange the swearing of Notice of Intention to Appoint Administrators ("NOI");
- Liaising with the director to arrange the swearing of the Notice of Appointment ("NOA") prior to filing at Court;
- Liaising with the appointed solicitors, Harrison Drury, in respect of filing the documents at Court;
- Liaising with Harrison Drury regarding security documentation and secured creditor position;

- Advising the Company on whether an early sale of the business and assets would likely be achievable and in the interest of creditors;
- Preparing and reviewing the optimal insolvency strategy;
- Liaising with Charterfields with regards to asset valuations and marketing strategy;
- Liaising with Charterfields regarding assets on finance;
- Liaising with Charterfields with regards to marketing for sale of the business and assets of the Company;
- Liaising with Charterfields in respect of ROT claims;
- The Joint Administrators launched their own marketing campaign of the Company's business and assets;
- Liaising with parties interested in the Company's business and / or assets;
- Liaising with Charterfields with regards to the interest received;
- Liaising with the charge holder, Positive, in respect of the proposed appointment and seeking their consent;
- Time was spent liaising with Positive in respect of the strategy and progression of marketing;
- Providing regular updates to Positive;
- Arranging assistance from Evolve in respect of employee claims and HR1 form; and
- Liaising with Evolve in respect of calculating preferential and unsecured employee claims.

Work undertaken by Charterfields

Charterfields, RICS registered, valuers and auctioneers, were instructed to attend site to provide an assessment of the likely realisable value of the Company's assets. This information enabled Leonard Curtis to properly gauge that at least one of the statutory purposes of Administration could be achieved:

The work carried out by Charterfields included:

- Time spent on the Company's site making detailed inventories of the assets and reviewing the Company's land and property;
- Time spent undertaking market research and writing their formal valuation reports;
- Time spent reviewing the lease in place in respect of the leasehold properties;
- Assisting in marketing of the Company's business and assets via online media;
- Assessing and advising on interest received;
- Liaising with interested parties; and
- Dealing with ROT claims.

Work undertaken by Harrison Drury

The work carried out by Harrison Drury included:

- Drafting the pre-appointment documentation and filing the same at Court;
- Drafting the appointment documentation and filing the same at Court;
- Providing advice regarding Positive's charge against the Company; and
- Reviewing ROT claims.

Work undertaken by Evolve

As detailed earlier, Evolve were instructed to provide assistance with employee related claims. Evolve visited the Company's site to provide consultation to the Company's employees. Evolve assisted the Company's 59 employees who were made redundant prior to our appointment. Evolve attended site to assist the employees in making claims for redundancy. Evolve also provided calculations of the likely employee preferential and unsecured claims.

- 9.7 The work carried out by the Joint Administrators and their agents and advisors as detailed above has further enabled the achievement of one of the three statutory objectives as it is envisaged that the secured and preferential creditors will be repaid in full from the insolvency proceedings. It is further envisaged that there will be a distribution to the unsecured creditors in this case.

- 9.8 The payment of unpaid pre-administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Administrators' Proposals. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively will be by a decision of the general body of creditors.

10 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

General

- 10.1 The basis of the Joint Administrators' remuneration may be fixed either as a percentage of the value with which they have to deal ('a percentage basis'), as a set amount, or by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in a Fees Estimate. A combination of these bases may be fixed, with different bases being fixed in respect of different things done by the Joint Administrators. Additionally, where a percentage basis is fixed, different percentages may be fixed in respect of different things done by the Joint Administrators.

Approval by appropriate body

- 10.2 The Joint Administrators think that the Company will have sufficient property to enable a distribution to be made to unsecured creditors. In such circumstances, it is for the Creditors' Committee to determine the basis of remuneration. If there is no Committee, or if the Committee fail to make the requisite determination then the basis of remuneration must be fixed by a decision of the creditors.
- 10.3 The outcome of this decision will be reported to all creditors in due course.

Information to be given to creditors

- 10.4 The Joint Administrators wish, in this case, to seek the creditors' agreement to their remuneration being fixed by reference to the time properly given by them and their staff in attending to matters as set out in a Fees Estimate. Prior to seeking approval of this basis, the Joint Administrators are required to provide all known creditors with their Fees Estimate and details of the expenses that they consider will be, or are likely to be, incurred during the administration ("Statement of Likely Expenses").

The Fees Estimate

- 10.5 The Joint Administrators' Fees Estimate for the whole of the Administration is set out at Appendix E. It includes the following:

- Details of the work that the Joint Administrators and their staff propose to undertake;
- The hourly rate or rates that Joint Administrators and their staff propose to use; and
- The time that the Joint Administrators anticipate that each part of the work will take.

Details of the Joint Administrators' time costs to date have also been included for comparison purposes. In summary, time costs of £44,943.50 have been incurred to date which has been recorded on our systems. This represents 111.7 at an average rate of £402.36 per hour. There are further time costs totalling £18,738.00 which are yet to be posted on our systems for work carried out from the week commencing 6 July 2020.

- 10.6 The total amount of time costs as set out in the Fees Estimate is £219,194.00. Once approved by the appropriate body of creditors, the remuneration drawn by the Joint Administrators must not exceed this total amount without prior approval. It should be noted that in some instances payment of these costs will be limited to the amount of realisations available in the administration.
- 10.7 The Fees Estimate is based upon information currently available to the Joint Administrators. Based upon this information, the Joint Administrators do not anticipate that the Fees Estimate will be exceeded. However should

information come to light during the course of the administration which means that the Joint Administrators will be required to undertake work not envisaged at the time that the Fees Estimate was provided, it may be necessary for the Joint Administrators to revert to creditors for further approval.

- 10.8 Details of the firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix H. Please be aware that the firm's charge out rates have been amended with effect from 1 August 2019.

- 10.9 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" (Version 4 – April 2017) which may be downloaded using the following link:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>

If you would prefer this to be sent to you in hard copy please email recovery@leonardcurtis.co.uk or contact Alnur Miah of this office on 01772 646180

Statement of Likely Expenses

- 10.10 The Joint Administrators' Statement of Likely Expenses is set out for creditor information at Appendix F. To assist creditors' understanding of this information, it has been separated into the following categories:

- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
- (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in this particular case. Also included within this category are costs that are directly referable to the administration but are not paid to an independent third party (and which may include an element of allocated costs). These are known as "Category 2 disbursements" and they may not be drawn without the approval of the creditors in the same way as fees and creditors will be contacted directly in this respect. The basis of the calculation of their recharge is detailed in Appendix H.

10.11 Further Updates

The Joint Administrators will provide creditors with an indication of whether the remuneration anticipated to be charged by them is likely to exceed the Fees Estimate, and if so the reasons for this, in their subsequent reports. Information will also be provided in subsequent reports on whether the expenditure detailed in the Statement of Likely Expenses has been or is likely to be exceeded and the reasons why.

11 ESTIMATED OUTCOME FOR CREDITORS

- 11.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix G.

- 11.2 The Estimated Outcome Statement assumes the following:

- a) That asset realisations are in line with those estimated at Appendix B;
- b) That the Joint Administrators' fees estimate (as detailed at Appendix E) is approved and is not exceeded; and
- c) That the expenses of the administration are as set out in the Statement of Likely Expenses at Appendix F and are not exceeded.

- 11.3 In summary:

- Secured creditors - As detailed in 4.6, as at 15 July 2020, Positive were owed £401,886.52 in respect of a loan and factoring agreement. This value is subject to slight variation due to interest being charged daily. It is anticipated that the Positive will be repaid in full following the sale of the Company's Property.

- Preferential creditors – As detailed in 4.8, Evolve have estimated there to be preferential claims totalling £83,079. It is anticipated that there will be further amounts due in respect of unpaid pension contributions which hold preferential status. It is envisaged that the preferential creditors will be paid in full in this case. The timing of such dividend is uncertain at this time.
- Unsecured creditors – As detailed in 4.7, there is no requirement to set aside a Prescribed Part in this case as the secured lender will be repaid in full under their fixed charge. As detailed in 4.9, it is envisaged that there will be a distribution to the unsecured creditors however the quantum or timing of such a dividend is uncertain at this time.

12 RELEASE OF ADMINISTRATORS FROM LIABILITY

- 12.1 As soon as all outstanding matters in the Administration have been attended to it is anticipated that we will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically to Creditors' Voluntary Liquidation.
- 12.2 On the registration of the relevant notice with the Registrar of Companies, the Administration and the appointment of the Administrators will automatically cease.
- 12.3 It is ordinarily for the creditors to fix the date upon which the Joint Administrators are discharged from liability in respect of any action of theirs during the Administration. The appropriate class of creditor will be contacted directly in this respect. The Voting Form at Appendix J includes a decision that we be discharged from liability immediately upon our appointment ceasing to have effect.

13 VOTING PROCEDURE AND CONCLUSION

- 13.1 It is important that you give careful attention to this report and its Appendices.
- 13.2 Details of all decisions to be made by creditors are included on Appendix I – Notice of a Decision Procedure by Correspondence. In order for your vote to count, you should ensure that your completed voting form (see Appendix J) has been delivered to the Joint Administrators on or before the Decision Date given on the front of this report and in Appendix I. Your vote should be accompanied by a proof of debt, unless one has previously been provided, failing which your vote may be disregarded.
- 13.3 Creditors' attention is drawn to Chapter 9 of Part 1 of the Rules, which detail the rules for delivery of documents.
- 13.4 Creditors will be notified of the outcome of the decision procedure in due course.

Should you have any queries or require any further clarification please contact Alnur Miah at my office, **in writing**. Electronic communications should also include a full postal address.

Mercol (Office Furniture) Limited - In Administration

for and on behalf of
MERCOL (OFFICE FURNITURE) LIMITED



MARK COLMAN
Joint Administrator

Mark Colman is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 9721 and Megan Singleton is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 22090

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation ("CVL"). It is further proposed that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators of the Company, and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65(3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that the Joint Administrators in office at the date of conversion to compulsory liquidation be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

APPENDIX B

ESTIMATED FINANCIAL POSITION AS AT 18 JUNE 2020

	Notes	Book value £	In Administration £
Assets specifically pledged			
Freehold Property	1	509,643	TBC
Intellectual Property	1	30,200	25,000
Investments	1	5,868	Uncertain
Less: Amount due to Positive Cashflow Finance	2	(252,264)	(252,264)
Surplus as regards fixed charge holder		<u>293,447</u>	<u>TBC</u>
Assets specifically pledged			
Factored Book Debts	3	298,874	203,806
Less: Amount due to Positive Cashflow Finance	2	(149,252)	(149,252)
Surplus as regards fixed charge holder		<u>149,622</u>	<u>54,554</u>
Assets subject to finance			
Encumbered Plant and Machinery	4	-	40,000
Less: Quantum Funding Limited	4	(22,500)	(22,500)
Surplus as regards finance assets		<u>(22,500)</u>	<u>17,500</u>
Assets not specifically pledged			
Surplus as regards Freehold Property		293,447	TBC
Surplus as regards Factored book debts		149,622	54,554
Surplus as regards finance assets		-	17,500
Unencumbered Plant and Machinery	5	110,473	146,000
Office Furniture and Equipment	6	-	4,000
Stock	7	418,112	20,000
		<u>971,654</u>	<u>242,054</u>
Preferential creditors	8	(83,079)	(83,079)
Net property available for prescribed part		<u>888,575</u>	<u>158,975</u>
Prescribed part calculation	9	<u>N/A</u>	<u>N/A</u>
Available for unsecured creditors		<u>888,575</u>	<u>158,975</u>
Unsecured creditors			
Employees/ERA	8	(393,018)	(393,018)
Trade and expense creditors (est.)	10	(701,600)	(701,600)
H M Revenue & Customs – VAT / PAYE / NIC (est.)	11	(337,482)	(337,482)
Total value of unsecured creditors		<u>(1,432,100)</u>	<u>(1,432,100)</u>
Estimated deficiency as regards unsecured creditors		<u>(543,525)</u>	<u>(1,273,125)</u>
Called up share capital		<u>(114)</u>	<u>(114)</u>
Deficiency as regards members		<u>(543,639)</u>	<u>(1,273,239)</u>

NOTES TO THE ESTIMATED FINANCIAL POSITION

All book values have been taken from the Company's latest financial information or from valuations obtained upon administration by independent valuers. It should be noted that no provision has been made for the costs and expenses of the administration.

1. Freehold Property

The book value provided has been extracted from the Company's balance sheet as at 30 December 2018. The Company owns freehold property situated at Primrose Mill, Ratcliffe Street, Darwen, BB3 2BZ ("the Property").

Charterfields were instructed to value the Company's Property and tangible assets and advise on the optimum realisation strategy. Charterfields have advised that the Property comprises industrial premises dating back to 1905 which underwent comprehensive refurbishment in 1998.

A valuation of the Property has been obtained and the Property is currently being marketed by Charterfields. Please note that following the marketing campaign, an offer was received which Charterfields have recommended acceptance of. An exchange of contracts took place on 3 July 2020 and it is anticipated that a sale will be completed on 24 July 2020. The valuation and offer received are considered to be commercially sensitive and cannot be disclosed at this time.

An update on the sale of the Property will be provided to creditors in the next progress report.

Intellectual Property ("IP")

Charterfields have advised that following their marketing campaign, two offers of £10,000 and £25,000 were received for the Company's IP. Charterfields have recommended acceptance of larger offer. It is anticipated that a sale will be completed shortly.

Investments

The directors have advised that the Company made an investment in another connected company further details of which is yet to be provided to the Joint Administrators. It is not anticipated that there will be any realisations in this regard.

2. Positive Cashflow Finance ("Positive")

As detailed earlier, Positive holds security in the form of a debenture incorporating fixed and floating charges over the Company's properties present and future. The debenture was created on 19 January 2016 and registered with Company's house on 20 January 2016.

It is understood that Positive provided a loan of £250,000 to the Company together with a factoring facility against the Company's book debt ledger.

Positive have confirmed that as at 15 July 2020, the balance due to Positive under the loan is £252,264.03 including interest and charges. Positive have also confirmed that as at 15 July 2020, the Company's debtor ledger is £298,874.10 with a balance of £55,764.08 due to the Positive plus interest and charges of £93,858.41 including VAT. The total amount due to Positive as at 15 July 2020 is £401,886.52. This is subject to slight variation due to interest being charged daily.

It is anticipated that Positive will be repaid in full from the insolvency proceedings.

3. Factored Book Debts

The Company had a book debt ledger which was subject to a factoring agreement with Positive. As at the date of administration the gross value of the outstanding ledger was £298,874.10. Positive have confirmed that of this amount, £183,353.98 is aged and £36,461.20 is disputed. Positive have confirmed that to date, £12,768.45 has been collected. We have made a full provision for the disputed debts and provided a 25% provision against the aged debtors giving an estimated collectable balance of £203,805.95

The Joint Administrators will instruct the Company's directors to assist with the collection of the reassigned debtor ledger. It is considered appropriate and cost effective to instruct the directors in this regard, as opposed to a collection agency, given their prior knowledge and experience with the Company's debtors.

4. Encumbered Plant and Machinery

Charterfields have advised that the Company possesses a piece of machinery which is subject to finance with Quantum Funding Limited. Charterfields advised that they estimate the value of the machine to be in the region of £40,000 whilst the outstanding settlement on such agreement is £22,500. As such, equity totalling around £17,500 is anticipated to be available to the Administration estate.

5. Unencumbered Plant and Machinery

The Company's balance sheet as at 30 December 2018 provides a book value of £110,473 to the Company's unencumbered plant and machinery.

Charterfields have advised that this category of asset comprises of various woodworking machines and equipment used for the manufacture of wooden components. The equipment appears to be in reasonable condition and in most cases well maintained.

Charterfields have attributed a market value in-situ of £156,000 and a market value ex-situ of £120,000 to this category of asset.

As detailed earlier, the offer received for the Property included an additional offer of £150,000 plus VAT for the Company's office furniture and equipment together with the plant and machinery. A sale is anticipated to be completed on 24 July 2020.

6. Office Furniture and Equipment

Charterfields have advised that the Company owns office furniture and equipment which appears to have been manufactured in-house by the Company itself. Charterfields attribute a market value in-situ of £6,000 and a market value ex-situ of £4,000 to this category of asset. As above, the offer received for the Property as mentioned above, includes an additional offer of £150,000 plus VAT for the Company's office furniture and equipment together with the plant and machinery as detailed below. A sale is anticipated to be completed on 24 July 2020.

7. Stock

The Company's balance sheet as at 30 December 2018 provides a book value of £418,112 to the Company's stock. Charterfields have advised that the cost value of the remaining stock at appointment according to the director was £350,000. The stock comprises of various sheet material such as chip board, plywood and MDF. Charterfields have further advised that it upon inspection, it became clear that much of the stock have been at the premises for some time and may not retain any value.

Charterfields have attributed a market value in-situ of £105,000 and a market value ex-situ of £35,000 to this category of asset.

Charterfields have advised that a portion of the stock was subject to retention of title claims. An offer of £20,000 was received for the remaining stock. Charterfields recommended acceptance of the offer considering depletion of the stock following a number of successful retention of title claims. It is anticipated that a sale will be completed shortly.

8. Preferential Creditors / Employee Claims

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay and certain pension contributions. As detailed earlier, on 8 June 2020 the Company's 59 employees were made redundant. The Joint Administrators instructed their agents, Evolve IS Limited ("Evolve"), to assist the employees with making claims for redundancy and to calculate employee preferential and non-preferential claims. Evolve have calculated that they anticipate the preferential claims in respect of unpaid wages and accrued holiday pay to total £83,079. There may be a further balance due in respect of outstanding pension contributions, however this amount has yet to be determined.

9. Prescribed Part

As it is envisaged that the secured creditor will be repaid in full under their fixed charge, there is no requirement to set aside a Prescribed Part in this case.

10. Trade and expense creditors

The amounts due to trade and expense creditors has been extracted from the available books and records. The amounts shown should not be regarded as agreed amounts.

11. H M Revenue & Customs (VAT / PAYE / Corporation Tax)

The amounts due to HMRC has been extracted from the available books and records. The amounts shown should not be regarded as agreed amounts.

APPENDIX B (CONTINUED)

CREDITORS LIST FOR THE ESTIMATED FINANCIAL POSITION

Name	Address				Amount of debt £	Details of security held	Date of security	Value of security £
Positive Cashflow Finance Limited	Castlefield House	Liverpool Road	Manchester	M3 4SB	401,886.52	Fixed and floating charge	19.01.2016	401,886.52
ARBOLES (UK) LTD	UNIT 56	EVANS BUSINESS CENTRE	MANCHESTER ROAD	BOLTON	BL3 2NZ	15,795.12	N/A	N/A
ALDCROFT ADHESIVES LTD	UNIT A	TONGE FOLD MIL	13 CLEGG STREET	BOLTON	BL2 6BL	651.90	N/A	N/A
ACCESSORY BITS LTD	21 Farncombe Road	Worthing	West Sussex	BN11 2BW	634.33	N/A	N/A	N/A
C/O HSBC	Technology Management Centre	Challenge Way	Greenbank Technology Park	BLACKBURN	BB1 5QB	870.00	N/A	N/A
AVEBELL LTD	UNIT 9 VALE MILL BUSINESS PARK	EMERALD STREET	BLACKBURN	BB1 9QJ	3,662.40	N/A	N/A	N/A
ASPIN & COONAN LIMITED	BEE HIVE MILL	MOOR LANE	DARWEN	BB3 0EJ	254.40	N/A	N/A	N/A
AZTEC OFFICE CONTRACTS	11b Hoghton Street	Southport	Merseyside	PR9 0NS	734.64	N/A	N/A	N/A
ADAPTIVE COMMUNICATION SOLUTIONS	PREMIER BUSINESS PARK	BEGONIA STREET	DARWEN	LANCASHIRE	BB3 2DP	2,397.89	N/A	N/A
ABSON OFFICE SEATING LTD	UNIT 11A ROMAN WAY INDUSTRIAL	LONGRIDGE ROAD	RIBBLETON	LANCASHIRE	PR2 5BB	13,656.73	N/A	N/A
BILLHOUSE SHEET METAL COMP LTD	PARKHOUSE INTERCHANGE	PARKHOUSE IND. EST.	NEWCASTLE-UNDER-LYME	STAFFORDSHIRE	ST5 7FB	10,364.77	N/A	N/A
INT'L DECORATIVE SURFACES LTD	FINANCE DEPARTMENT	TOWN HALL	BLACKBURN	LANCASHIRE	BB1 7DY	38,528.00	N/A	N/A
BLACKBURN COUNCIL RATES	BSI Accounts Receivable	PO Box 3000	Kitemark Court	Davy Avenue	MK1 9EL	986.40	N/A	N/A
BSI	WHITEBIRK RD	JUNCTION 6 OF M65	BLACKBURN	BB1 3HY	2,246.30	N/A	N/A	N/A
BLACKBURN VAN HIRE SALES LTD	1-7 BRIDEOKAKE STREET	LEIGH	LANCASHIRE	WN7 2AG	261.60	N/A	N/A	N/A
ST GEORGE GLASS CO. LTD	PORTE MARSH ROAD	CALNE	WILTSHIRE	SN11 9BW	651.00	N/A	N/A	N/A
BIL CASTOR & WHEELS	ROSEWELL HOUSE	2A (1F) HARVEST DRIVE	NEWBRIDGE	MIDLOTHIAN	EH28 8QJ	604.52	N/A	N/A
BM TRADA								

Mercor (Office Furniture) Limited - In Administration

C K SERVICES	OPUS 2	UNIT B GREENBANK BUSINESS PARK	GREENBANK WAY	BLACKBURN	BB1 3EA	787.20	N/A	N/A	N/A
CRESTWOOD FITTINGS UK LTD	CRESTWOOD HOUSE	52 HIGH STREET	SAINT MARTIN'S	STAMFORD,	PE9 2LG NG17 2HW	6,360.77	N/A	N/A	N/A
COMPONENTS DIRECT	JET PRESS LTD	T/A COMPONENTS DIRECT	NUNN CLOSE OFF JUNCTION STREET	HUTHWAITE	BB3 2RB	1,013.40	N/A	N/A	N/A
C & F FABRICATIONS	UNITS 5-7	BRITANNIA MILL CAERPHILLY BUSINESS PARK	VAN ROAD CARNFORTH BUSINESS PARK	DARWEN CAERPHILLY, MID GLAMORGAN	CF83 3CG	11,600.10	N/A	N/A	N/A
CREDITSafe UK LTD	C/O BRITANNIA BUILDING	OAKWOOD WAY	LANCASHIRE SHADSWORTH BUSINESS PARK	CARNFORTH	LA5 9FD	534.00	N/A	N/A	N/A
CASTLE INDUSTRIAL SUPPLIES LTD	UNIT 6	BURNLEY	BLACKBURN	BB11 1TH	613.06	N/A	N/A	N/A	N/A
COTEL MOULDINGS CROFT COMMERCIALS LTD	TRAFALGAR STREET	DUTTONS WAY	BLACKBURN	BB1 2QR	3,790.27	N/A	N/A	N/A	N/A
DOUGILL FIRE APPLIANCE CO	UNIT 11	LOWERCROFT MILL	LOWERCROFT ROAD	BURY	BL8 3PA	588.90	N/A	N/A	N/A
DARWEN PALLET SERVICE	THE WORKS	GOOSE HOUSE LANE	DARWEN CLAYTON BUSINESS PARK	LANCS	BB3 0EH	2,220.00	N/A	N/A	N/A
DURASAK LIMITED	UNIT 9	WALMSLEY COURT	ACCINGTON	BB2 2NG	246.96	N/A	N/A	N/A	N/A
DUDLEY TOOL & ENG LTD	MILL STREET	WORDSLEY	STOURBRIDGE	WEST MIDLANDS	DY8 5SX	721.08	N/A	N/A	N/A
EURO-FIT SYSTEMS LIMITED	BARMSTON ROAD	BEVERLEY	EAST YORKSHIRE	HU17 0LA	2,273.04	N/A	N/A	N/A	N/A
EULER HERMES UK	1 CANADA SQUARE	LONDON		E14 5DX	448.15	N/A	N/A	N/A	N/A
ELECKTEC	UNIT 4	TOWER VIEW ALLENBY ROAD INDUSTRIAL ESTATE	DARWEN	BB3 3JJ	3,684.00	N/A	N/A	N/A	N/A
FIXFIRM FITTINGS	2 CROFTEN RD	LINCOLN		LN3 4NL	325.55	N/A	N/A	N/A	N/A
F.A. PARKES (MBF) LTD	UNIT 4 ACORN COURT	BUTTS STREET	LEIGH	LANCASHIRE	WN7 3AE	2,437.20	N/A	N/A	N/A
GRATNELLS LTD	8 HOWARDS WAY	HARLOW	ESSEX	CM20 2SU	3,443.10	N/A	N/A	N/A	N/A
G HODGSON ELECTRICAL	16 CROW LANE	RAMSBOTTOM SWIFT VALLEY INDUSTRIAL ESTATE	LANCASHIRE	BL0 9BR	336.66	N/A	N/A	N/A	N/A
HAFELE UK LTD	BROWNSOVER ROAD	METROPLEX BUSINESS PARK	RUGBY	WARWICKSHIRE SALFORD, MANCHESTER	CV21 1RD	18,306.09	N/A	N/A	N/A
HETTICH UK	UNIT 200		BROADWAY		M50 2UE	18,636.51	N/A	N/A	N/A
HTG Blackburn C/O Cowgills	Regency House	45-53 Chorley New Road	Bolton	BL1 4QR	129,296.98	N/A	N/A	N/A	N/A
HOMAG UK LTD	10C SILLS ROAD	CASTLE DONINGTON	DERBY	DE74 2US	8,105.74	N/A	N/A	N/A	N/A
HONDA CONTRACT HIRE	WHITEHILL HOUSE	WINDMILL HILL	SWINDON	SN5 6PE	318.19	N/A	N/A	N/A	N/A

Mercol (Office Furniture) Limited - In Administration

CHUBB ELECTRONIC SECURITY LTD	SHADSWORTH ROAD	BLACKBURN	LANCASHIRE		BB1 2PR	1,188.15	N/A	N/A	N/A
INNOV8 TECHNOLOGY LTD	5 RIVERVIEW	THE EMBANKMENT BUSINESS PARK	HEATON MERSEY	STOCKPORT	SK4 3GN	8,220.00	N/A	N/A	N/A
INNODC	OLD HOME FARM HOUSE	BONDEND ROAD	UPTON ST. LEONARDS	GLOUCESTER	GL4 8ED	1,296.00	N/A	N/A	N/A
IRWELL STREET METAL CO	KENYON STREET WORKS	RAMSBOTTOM	BURY	LANCASHIRE	BL0 0AB	13,702.72	N/A	N/A	N/A
HINDLE, JEPSON & JENNINGS LTD	10 BOROUGH ROAD	DARWEN	LANCASHIRE		BB3 1PL	750.00	N/A	N/A	N/A
JAMES LATHAM OSSETT KLEIBERIT ADHESIVES UK	TOPCLIFFE CLOSE	CAPITOL PARK EAST STEPHENSONS INDUSTRIAL ESTATE	TINGLEY	LEEDS	WF3 1DR	1,594.80	N/A	N/A	N/A
	OFF BRUNEL WAY CONWAY HOUSE, RICHARDS STREET	KIRKHAM	PRESTON		PR4 2HU	1,169.64	N/A	N/A	N/A
KIRKHAM BOX CO LTD	UNIT 501 CENTRAL PARK INDUSTRIAL EST	PETHERTON ROAD	HENGROVE	BRISTOL	BS14 9BZ	2,736.00	N/A	N/A	N/A
KOMLETE LTD	SCOTSHAW BROOK HOUSE	14 BRANCH ROAD	LOWER DARWEN	DARWEN	BB3 0PR	560.12	N/A	N/A	N/A
JOHN LAWSON DISTRIBUTORS LTD	MOORCROFT DRIVE	WEDNESBURY	WEST MIDLANDS		WS10 7DE	4,831.68	N/A	N/A	N/A
LOWE & FLETCHER LTD	PINFOLD INDUSTRIAL ESTATE	PINFOLD LANE	BUCKLEY	FLINTSHIRE	CH7 3PL	771.38	N/A	N/A	N/A
LINDE STERLING LTD	92-93 CLYDESDALE PLACE	MOSS SIDE IND. ESTATE	LEYAND	LANCS	PR26 7QS	1,266.18	N/A	N/A	N/A
LEYLAND PACKAGING CO. LTD	KNOWSTHORPE GATE	CROSS GREEN INDUSTRIAL ESTATE	LEEDS		LS9 0NP	101,702.19	N/A	N/A	N/A
LAWCRIS PANEL PRODUCTS	PO Box 430	Watford	Hertfordshire		WD18 8EZ	595.44	N/A	N/A	N/A
LMH FINANCIAL SERVICES	INSURANCE BROKERS	28/30 RAILWAY ROAD	DARWEN	LANCASHIRE	BB3 2RG	44,190.05	N/A	N/A	N/A
MARTIN BIRD	43a BARTON ROAD	WATER EATON INDUSTRIAL ESTATE	BLETCHLEY	MILTON KEYNES	MK2 3EF	3,264.00	N/A	N/A	N/A
MILTON KEYNES PRESSINGS LTD	Units 21-23-24	Premier Mill	Begonia Street	Darwen	BB3 2DP	61,858.65	N/A	N/A	N/A
Metalwork Systems Ltd	285 BROWNHILL DRIVE	BLACKBURN	LANCASHIRE		BB1 9SB	900.00	N/A	N/A	N/A
M65 RECRUITMENT MULTITASK RECRUITMENT SOLUTIONS	SUITE 4	FRECKLETON STREET	BLACKBURN		BB2 2AL	4,957.29	N/A	N/A	N/A
NORTHERN BOX & P'K'ING CO LTD	MOSS BRIDGE MILL	BLACKBURN ROAD	DARWEN		BB3 0AJ	2,557.41	N/A	N/A	N/A
NORTHERN HARDWARE	LANCASHIRE HOUSE	DIXON STREET	BANK TOP	BLACKBURN	BB2 1TR	561.64	N/A	N/A	N/A
WATER PLUS LIMITED (ex NWW)	PO BOX 12460	HARLOW			CM20 9PJ	8,598.63	N/A	N/A	N/A
NORTHERN SINKS SUPPLIES	249 WHITEHALL ROAD	LEEDS	WEST YORKSHIRE		LS12 4ER	267.00	N/A	N/A	N/A

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O2 (UK) LTD	260 BATH ROAD	SLOUGH	BERKSHIRE		SL1 4DX	289.02	N/A	N/A	N/A
OSTERMANN UK LTD	UNIT 104 POINTON WAY	DROITWICH			WR9 0LW	1,623.10	N/A	N/A	N/A
PERFORMANCE PANELS LTD	CARVIC HOUSE	BLACK BROOK WAY	STAINLAND ROAD	GREETLAND HALIFAX	HX4 8ED	19,907.83	N/A	N/A	N/A
P.J.WORRALL	27 OLD STREET	NEWCHURCH	ROSSENDALE	LANCS	BB4 9EA	161.28	N/A	N/A	N/A
INDUSTRIAL WIPES	1 WITS END	KIRKBY MILLS INDUSTRIAL ESTATE	KIRKBYMOORSIDE	NORTH YORKSHIRE	YO62 6PG	59,530.06	N/A	N/A	N/A
RACK SYSTEMS (ENGINEERING) LTD	UNIT 12	CLETON STREET BUSINESS PARK	CLETON STREET	TIPTON	DY4 7TR	8,387.89	N/A	N/A	N/A
RONIS UK LTD	THE TANNERY	91 KIRKSTALL ROAD	LEEDS		LS3 1HS	538.00	N/A	N/A	N/A
RTC TRAINING	STAKEHILL LANE	STAKEHILL	MIDDLETON	MANCHESTER	M24 2RY	83.40	N/A	N/A	N/A
RDM ENGINEERING	Group Communications	Royal Mail Group	Embankment	London	EC4Y 0HQ	944.40	N/A	N/A	N/A
ROYAL MAIL SIMMONS (MOULDINGS) LTD	STATION STREET WEST BUSINESS PARK	COVENTRY			CV6 5BP	4,009.20	N/A	N/A	N/A
SAFETY WAREHOUSE	UNIT 3-4 SADLER STREET	SADLER STREET	CHURCH	ACCRINGTON	BB5 0HP	336.59	N/A	N/A	N/A
SPECTRUM PLASTICS LTD	INDUSTRIAL ESTATE	COCKER AVENUE	POULTON INDUSTRIAL ESTATE	POULTON-LE-FYLDE	FY6 8JU	82.20	N/A	N/A	N/A
SOUTHERN COMMUNICATIONS LTD	UNIT 4 BLOCK 4								
TIMBER MACHINE SERVICES	GLEBE FARM	DOWN STREET	DUMMER	BASINGSTOKE,	RG25 2AD	466.02	N/A	N/A	N/A
TNT UK LTD	44 PENNYLODGE LANE	LOVECLOUGH	ROSSENDALE		BB4 8PD	12,181.11	N/A	N/A	N/A
TOP SLIDE	PO BOX 4	RAMSBOTTOM	BURY		BL0 9AR	1,206.39	N/A	N/A	N/A
INTERNATIONAL A/S	SLIKEBORGVEJ 765	8220 BRABRAND	DENMARK			920.00	N/A	N/A	N/A
SYSTCO-UNILAP LTD	CLAYFIELDS INDUSTRIAL ESTATE	TICKHILL ROAD	BALBY	DONCASTER	DN4 8QG	2,295.59	N/A	N/A	N/A
VENDING MACHINES INT'L	Now Dissolved - DO NOT SEND CORRESPONDENCE					936.97	N/A	N/A	N/A
WAIVIS LTD	UNIT 10	HEATHROW INTERNATIONAL TRADING ESTATE	GREEN LANE	HEATHROW, LONDON	TW4 6HB	8,671.13	N/A	N/A	N/A
WPS LTD PLUMBASE	UNIT 1-2 PROVIDENT BUILDING	THE GREEN	DARWEN		BB3 1PW	517.00	N/A	N/A	N/A
Lathams Limited	Unit 3 Swallow Park	Finway Road	Hemel Hempstead	Herts	HP2 7QU	0.00	N/A	N/A	N/A
HM Revenue & Customs - VAT	National Insolvency Unit	5th Floor Regian House	James Street	Liverpool	L75 1AD	337,482.00	N/A	N/A	N/A

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HM Revenue & Customs - Corporation Tax	CT Operations S0886	PO Box 3900	Glasgow		G70 6AA	0.00	N/A	N/A	N/A
HM Revenue & Customs - PAYE	Durrington Bridge House	Barrington Road	Worthing	West Sussex	BN12 4SE	0.00	N/A	N/A	N/A
Quantum Funding Limited	Reading International Business Park	Basingstoke Stoke Road	Reading		RG2 6AA	-	N/A	N/A	N/A
Employees				59 Employees with a total debt of		476,097.00	N/A	N/A	N/A
				Total creditors		1,917,065.72			

APPENDIX C

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM
18 JUNE 2020 TO 23 JULY 2020

	Estimated Financial Position £	Received to date £
RECEIPTS		
Freehold Property	TBC	-
Intellectual Property	25,000	-
Factored Book Debts	203,806	-
Encumbered Plant and Machinery	40,000	-
Unencumbered Plant and Machinery	146,000	-
Office Furniture and Equipment	4,000	-
Stock	20,000	-
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		-
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PAYMENTS		
None		-
		<hr/>
		-
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BALANCE IN HAND		-
		<hr/>

SUMMARY OF JOINT ADMINISTRATORS' PRE-ADMINISTRATION COSTS

	Units	Total Cost £	Average Hourly Rate £
Financial assessment	152	7,980.00	525.00
Strategy & purpose evaluation	739	34,338.00	464.65
Preparation of documents	243	8,730.00	359.26
Chargeholder	104	5,460.00	525.00
Court related issues	37	1,575.00	425.68
<hr/>			
Total	1,275	58,083.00	
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Average Hourly Rate (£)		455.55	

All Units are 6 minutes

DETAILED ANALYSIS OF PRE-ADMINISTRATION COSTS

Financial Assessment

The Joint Administrators and their staff held a number of physical and teleconference meetings with the director and the Company's management team to establish the Company's financial position and to determine the most appropriate strategy for the Company and its creditors.

Review of information and liaising with the management team to establish position.

Strategy & Purpose Evaluation

Time was spent planning the course of the Administration and the best strategy to maximise realisations, which included marketing the business for sale, and preparation of a strategy memo summarising the options available to the Company and the proposed Joint Administrators.

This included time spent:

- Considering the various courses of alternative action other than administration and the possibility for trading the Company in Administration;
- Liaising with Charterfields regarding valuations of the Company's assets;
- Liaising with Charterfields regarding security issues;
- Time was spent by Leonard Curtis in respect of marketing the Company's business and assets;
- Time was spent liaising with Charterfields in respect of their marketing campaign;
- Time was spent liaising with Charterfields in respect of the interest received for the Company's business and assets;
- Liaising with interested parties;
- Preparing and updating strategy note for the secured creditor;
- Numerous internal strategy meetings to progress matters and discuss continuing strategy;
- Dealing with all formalities relating to the appointment of Administrators including giving appropriate notification of the intention to make such appointment to the floating charge holder, Positive, and other parties entitled to receive notice;
- Dealing with pre-appointment formalities;
- Liaising with and holding numerous meetings with the directors and the Company's management team to obtain the Company's financial position and discuss the reasons for failure;
- Preparing and reviewing the optimal insolvency strategy;
- Liaising with the director to arrange the swearing of the first Notice of Intention to Appointment an Administrator ("NOI") prior to filing at Court;
- Liaising with Harrison Drury in respect of filing the NOI;
- Meetings with the Company's employees to discuss their options;
- Liaising with and arranging assistance from Evolve in respect of assisting employees with claims; and
- Liaising with Evolve in respect of calculating preferential and non-preferential employee claims.

Preparation of Documents

Time has been incurred preparing the engagement letter and verifying the identities of the directors and shareholders in compliance with money laundering obligations. This also included setting up the case file and ensuring statutory requirements were met.

Mercol (Office Furniture) Limited - In Administration

Time was spent liaising with the directors to collate the relevant information for inclusion on the appointment documents and recovering Company records, including asset and employee information. This included time spent on site to recover the information needed for the Administration.

Time was spent in a number of meetings with the directors to discuss the reasons for the Company's insolvency and the Administration process.

Time was spent processing the information of the Company's creditors including 59 employees. This included time being spent generating the Company's Sage records and extracting creditor information.

Time was spent creating the relevant engagement letters instructing solicitors and agents.

Time was spent liaising with Harrison Drury in respect of drafting the NOI and Notice of Appointment of Administrators ("NOA").

Time was spent preparing a strategy memo to present to the secured creditor.

Chargeholder

Time was spent liaising with Harrison Drury in respect of seeking consent of the Administration from Positive.

Time was spent by the Joint Administrators and their staff in numerous telephone conversations with the directors and Positive in respect of the optimal insolvency strategy and the Company's financial position.

Time was spent liaising with Positive and discussing the amounts they are owed under their security.

Reviewing the factored debtor ledger.

Court related issues

Time was spent liaising with Harrison Drury in respect of filing of the NOI and NOA.

Time was spent meeting with the director to swear the NOI and NOA.

JOINT ADMINISTRATORS' FEES ESTIMATE INCORPORATING TIME INCURRED TO DATE

	Fees Estimate			Incurred To Date			Variance
	Total			Total			Cost £
	Units	Cost	Average Hourly Rate	Units	Cost	Average Hourly Rate	
	No	£	£	No	£	£	
Statutory and Review	430	15,267.00	355.05	22	1,155.00	525.00	(14,112.00)
Receipts and Payments	375	13,682.00	364.85	12	630.00	525.00	(13,052.00)
Insurance	57	2,089.50	366.58	25	792.00	316.80	(1,297.50)
Assets	2,007	72,908.00	363.27	563	25,271.50	448.87	(47,636.50)
Liabilities	1,977	71,300.50	360.65	73	2,982.00	408.49	(68,318.50)
Debenture Holder	150	5,741.50	382.77	49	2,442.50	498.47	(3,299.00)
General Administration	243	7,462.00	307.08	42	808.00	192.38	(6,654.00)
Appointment	279	8,492.50	304.39	279	8,492.50	304.39	-
Planning and Strategy	107	3,685.00	344.39	42	2,205.00	525.00	(1,480.00)
Post Appointment Creds Mtngs	284	10,082.50	355.02	-	-	-	-
Investigations	236	8,483.50	359.47	-	-	-	-
Total	6,145	219,194.00	356.70	1,107	44,778.50	404.50	(155,849.50)

All Units are 6 minutes

APPENDIX E (CONTINUED)

JOINT ADMINISTRATORS' FEES ESTIMATE

DETAILS OF WORK PROPOSED TO BE UNDERTAKEN

Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These will be carried out periodically throughout the life of the case. In the early stages of the case this will involve weekly team meetings to discuss and agree case strategy and a month 1 review by the firm's Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses we will as a minimum carry out three monthly and six monthly reviews to ensure that the case is progressing as planned;
- Allocation of staff, management of staff, case resourcing and budgeting;
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice;
- The team is required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years;
- Review of directors' sworn statement of affairs and filing of document at Companies House in accordance with statutory requirements; and
- Completion of case closing procedures at the end of the case.

Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank accounts – two bank accounts will be opened in this case to account for both fixed and floating charge realisations;
- Management of case bank accounts to ensure compliance with relevant risk management procedures;
- Regular review of case bank account by senior member of staff to ensure that fixed and floating charge assets have been properly identified and prescribed part funds have been set aside where appropriate;
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports;
- Issuing cheques for dividends to the various classes of creditors;
- Timely completion of all post appointment tax and VAT returns; and
- Managing estate expenses.

Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees.

Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Reviewing and progressing any pre-appointment insurance claims;
- Periodic review of insurance requirements over physical assets, to minimise costs to the estate;
- Calculation and request of Joint Administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice;
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; liaising with pensions providers to understand the nature of the scheme, and submitting claims to the Redundancy Payments Service for reimbursement of any unpaid contributions to the scheme; and
- Liaising with pension companies to arrange for prompt wind up of schemes – there are four pension schemes in this case.

Assets

- Agreeing strategy for realisation of Company assets;
- Instruction of and liaising with agents as required;
- Marketing the Company's business and assets for sale;
- Regular updates from Charterfields with regards to their marketing;
- Liaising with Charterfields with regards to the sale of the Property;
- Instructing Harrison Drury to draft the sale contract;
- Reviewing sale contract and other forms;
- Dealing with queries raised by the proposed purchaser;
- Liaising with HMRC and the Company's accountants with regards to VAT on the Property;
- Instructing accountants to calculate any corporation tax liability on the sale of the Property;
- Liaising with Charterfields with regards to the sale of the encumbered and unencumbered plant and machinery;
- Liaising with Charterfields with regards to the sale of the stock;
- Liaising with Charterfields with regards to the sale of the intellectual property;
- Reviewing claims from Retention of Title ("ROT") claimants;
- Liaising with Charterfields regarding ROT claims;
- Arranging collection of stock with successful ROT claimants;
- Reviewing debtor ledger and amounts due to Positive;
- Collating debtor information and documentation; and
- Instructing the Company's directors to assist with collecting any reassigned debtor ledger.

Liabilities

This category of time includes both statutory and non-statutory matters.

Statutory

- Processing of claims from the Company's creditors;
- Liaising with creditors with regards to their claims;
- Collating creditor information;
- Writing to creditors to prove their claims for dividend purposes;
- Formally agreeing creditor claims for dividend purposes;

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- Processing preferential and non-preferential dividends;
- Instructing Harrison Drury to make an application to Court to enable a distribution to the unsecured creditors in the Administration;
- Instructing Evolve to calculate preferential and non-preferential employee claims;
- Submitting RP14 and RP14A to the Redundancy Payments Service;
- Instructing Evolve to calculate residual preferential and non-preferential employee claims;
- Processing of claims from the Company's employees;
- Preparation, review and submission of pre-appointment tax and VAT returns – the Company's former accountants will be instructed to review this position; and
- Preparation and submission of periodic progress reports to creditors.

Non-statutory

- Dealing with enquiries from the Company's creditors; and
- Dealing with enquiries from the Company's employees

Debenture Holder

- Liaising with Harrison Drury with regards to validity of charges;
- Liaising with and providing regular updates to Positive; and
- Distributing dividends to Positive under their fixed charge.

General Administration

This category of work does not result in a direct financial benefit for creditors; however it is necessary for these tasks to be completed in order to ensure the smooth and efficient progression of the administration:

- General planning matters;
- Setting up and maintaining the liquidators' records;
- Arranging collection and storage of company records – as the Company has been trading for almost 30 years, it is anticipated that there will be a significant amount of records to collect and review in this case; and
- Dealing with general correspondence and communicating with directors and shareholders.

Appointment

There are certain tasks which the Joint Administrators have a statutory obligation to undertake during the administration process. Other tasks are completed in order to ensure the administration is progressed to the benefit of all creditors and stakeholders. Actions completed to date are both statutory and non-statutory and include the following:

- Statutory notifications to creditors and other interested parties following the administrators' appointment;
- Preparation of case plan; and
- Formulation of case strategy, including recording of any strategic decisions.

Planning and Strategy

- Discussing strategy to achieve the outcome of the Administration; and
- Liaising with agents and solicitors and seeking their advice.

Post Appointment Creditors' Decisions

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the administration;

Mercol (Office Furniture) Limited - In Administration

- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (England and Wales) Rules 2016; and
- Convening a decision by correspondence to agree Fees Estimate with appropriate body of creditors;
- Reporting on outcome of voting.

Investigations

- Collecting and reviewing the Company's records; and
- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the Company Directors Disqualification Act 1986.

JOINT ADMINISTRATORS' STATEMENT OF LIKELY EXPENSES

Standard Expenses

Type	Description	Amount £
AML Checks	Electronic client verification	20.00
Bond Fee	Insurance bond	550.00
Document Hosting	Hosting of documents for creditors	84.00
Software Licence Fee	Case management system licence fee	87.00
Statutory Advertising	Advertising	204.00
Storage Costs	Storage of books and records	1,000.00
Post redirection	Redirection of post	204.00
	Total standard expenses	2,149.00

Case Specific Expenses

Type	Description	Amount £
Agents' Fees – Charterfields	Costs of sale of Property	2.5% of sale of Property
Agents' Fees - Charterfields	Sale of plant and machinery, stock, office furniture and intellectual property	20,065.00
Agents' Fees - Charterfields	Costs for dealing with various ROT claims	2,150.00
Agents' Fees – Charterfields (est.)	Costs of realising equity in financed assets	tbc
Agents' disbursements – Charterfields (est.)*	Disbursements paid by Charterfields in respect of selling assets	2,000.00
Debt Collection Fees – the Directors (est.)	Costs of collection of any reassigned ledger	10% of realisations
Legal Fees – Harrison Drury (est.)	Costs of selling the Property	6,510.00
Legal Fees – Harrison Drury (est.)	Costs for legal advice and application to Court to enable a distribution to unsecured creditors in the Administration	4,890.00
Staff Mileage	Category 2 disbursement requiring specific creditor / committee approval	50.00

Mercol (Office Furniture) Limited - In Administration

Accountancy Fees – Bishops Chartered Accountants (est.)	Assistance with Capital Gains Tax on sale of Property	2,000.00
HM Revenue & Customs	Capital Gains Tax	TBC
Accountancy Fees – Hindle Jepson & Jennings Chartered Accountants	Assisting with Statement of Affairs	2,800.00
	Total case specific expenses	40,465.00

*Charterfields have advised that to date mileage charges of £366 has been incurred together with £770 for an EPC assessment for sale of the Property. Further charges will be incurred for the hire of a fork lift truck driver at £130.00 per day and for clearance of the site prior to conclusion of the sale of the Property.

ESTIMATED OUTCOME STATEMENT

	Secured	Financed	Preferential	Unsecured
	£'000	£'000	£'000	£'000
Amount estimated to be available to class of creditor	TBC	40	TBC	TBC
Amount due to creditor per Appendix B	402	22	83	1,432
Estimated dividend rate (as a %)	100%	100%	100%	TBC%

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by the appropriate body of creditors that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rates given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard	Complex	1 Aug 2019 onwards	Standard	Complex
	£	£		£	£
Director	450	562	Director	525	656
Senior Manager	410	512	Senior Manager	445	556
Manager 1	365	456	Manager 1	395	494
Manager 2	320	400	Manager 2	345	431
Administrator 1	260	325	Administrator 1	280	350
Administrator 2	230	287	Administrator 2	250	313
Administrator 3	210	262	Administrator 3	230	288
Administrator 4	150	187	Administrator 4	165	206
Support	0	0	Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, which may be used for non-contentious matters pertaining to the insolvency appointment.

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search

Mercol (Office Furniture) Limited - In Administration

Bond / Bordereau fee	Insurance bond to protect the insolvent entity against any losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors/shareholders. Cost per upload, plus VAT.	<table> <tr> <th>Type</th><th>First 100</th><th>Every addtl 10</th></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td colspan="2">£10 p.a. or £25 for life of case</td></tr> </table>	Type	First 100	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
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IVA	£10 p.a. or £25 for life of case																									
Postage	Cost of posting documents in connection with a case to external recipients	Calculated in accordance with Royal Mail Hybrid Mail rates and dependent on whether the document is sent by first or second class post.																								
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£91.80 - £102.00 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, external room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Storage of office files (6 years)	£30 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

NOTICE OF A DECISION PROCEDURE BY CORRESPONDENCE

RE: MERCOL (OFFICE FURNITURE) LIMITED (IN ADMINISTRATION) ("THE COMPANY")

PREVIOUSLY KNOWN AS: N/A

REGISTERED NUMBER: 02765291

**COURT DETAILS: HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN MANCHESTER -
COMPANY & INSOLVENCY LIST (CHD) COURT REF: CR-2020-MAN-000610**

**NOTICE TO CREDITORS OF A DECISION PROCEDURE TO BE CONSIDERED BY CORRESPONDENCE
IN ACCORDANCE WITH PARA 51(1) OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986 AND RULES 15.8
AND 18.18 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016**

We, Mark Colman and Megan Singleton, of Leonard Curtis, 20 Roundhouse Court, South Rings Business Park, Bamber Bridge, Preston, PR5 6DA, were appointed Joint Administrators of the Company on 18 June 2020.

NOTICE IS HEREBY GIVEN pursuant to Para 51(1) of Schedule B1 to the Insolvency Act 1986 and Rules 15.8 and 18.18 of the Insolvency (England and Wales) Rules 2016 that the creditors are being asked to make a decision as to whether they approve the Administrators proposals set out at Appendix A, agree the basis of the Joint Administrators' remuneration and approve three other decisions by way of correspondence.

To participate in the vote creditors will need to have delivered a completed voting form to my office at 20 Roundhouse Court, South Rings Business Park, Bamber Bridge, Preston, PR5 6DA or via email to alnur.miah@leonardcurtis.co.uk by 23:59pm on 11 August 2020 together with a proof of debt form if one has not previously been lodged. Failure to deliver a proof of debt will result in your vote being disregarded.

NB. Creditors' attention is drawn to Chapter 9 of Part 1 of the Rules, which detail the rules for delivery of documents.

The resolutions to be considered are:

1. That the Joint Administrators' Proposals are approved.
2. In the absence of a creditors' committee, that the remuneration of the Joint Administrators be fixed by reference to time properly spent by them and their staff in attending to matters as set out in the Fees Estimate (for an amount not exceeding £219,194.00).
3. That the unpaid pre-administration costs as detailed in the Joint Administrators' Statement of Proposals be approved for payment as an expense of the Administration.
4. That the basis of the recharge of the Joint Administrators' category 2 disbursements be fixed by reference to the rates set out in the Joint Administrators' Statement of Proposals and that they be authorised to be reimbursed such disbursements as and when funds permit.
5. That the Joint Administrators be discharged from liability in respect of any action(s) of theirs as Administrators pursuant to the provisions of paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, immediately upon their appointment ceasing to have effect.

Statutory Information and Creditors' Entitlement To Vote

In accordance with Rule 15.8 of the Insolvency (England and Wales) Rules 2016 please be aware of the following information:

- Creditors are only entitled to vote if they have delivered a proof of debt prior to the decision date and the claim has been accepted in whole or in part, together with a voting form. Whilst I am permitted to agree claims below £1,000 without a proof of debt, a creditor whose claim is less than £1,000 is not able to vote without having lodged a proof of debt. Creditors who have opted out from receiving notices may, nevertheless, vote if a proof of debt has been lodged.
- Creditors must deliver their voting form no later than 23:59pm on 11 August 2020. Forms should be posted to Mercol (Office Furniture) Limited at Leonard Curtis, 20 Roundhouse Court, South Rings Business Park, Bamber Bridge, Preston, PR5 6DA. Alternatively voting forms can be faxed to 01772 646181 or submitted by email to alnur.miah@leonardcurtis.co.uk.
- I am obliged to advise creditors that applications to have any decision reviewed must be made to High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) under reference CR-2020-MAN-000610. Any such application should be made within 21 days of the decision date.
- If creditors are not satisfied with the decision procedure being used, they may request a physical meeting be convened providing their claim is 10% of the value of the creditors or 10% of the number of creditors request the same or 10 individual creditors request that a meeting be convened. All requests to hold a physical meeting should be made in writing but can be made by email to Preston.meetingreq@leonardcurtis.co.uk. Requests for a physical meeting should be made within five business days of delivery of this notice.

Dated 23 July 2020

Signed 

**MARK COLMAN
JOINT ADMINISTRATOR**

Contact details

Mark Colman and Megan Singleton
Leonard Curtis
20 Roundhouse Court
South Rings Business Park
Bamber Bridge
Preston
PR5 6DA
Tel: 01772 646180

VOTING FORM FOR CREDITORS

RE: MERCOL (OFFICE FURNITURE) LIMITED (IN ADMINISTRATION) ("THE COMPANY")
PREVIOUSLY KNOWN AS: N/A
REGISTERED NUMBER: 02765291
COURT DETAILS: HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN MANCHESTER -
COMPANY & INSOLVENCY LIST (CHD) REF: CR-2020-MAN-000610

Please indicate whether you are in favour or against each of the decisions set out below.

Please note that this form should be returned prior to 23:59pm on 11 August 2020 to my offices Leonard Curtis, 20 Roundhouse Court, South Rings Business Park, Bamber Bridge, Preston, PR5 6DA. Alternatively the form can be faxed to Leonard Curtis on 01772 646180 or submitted by email to alnur.miah@leonardcurtis.co.uk. In order for your vote to be valid a proof of debt should also have been lodged.

RESOLUTIONS TO BE CONSIDERED

Decision 1

That the Joint Administrators' Proposals are approved.

I am *in Favour / Against

Decision 2

In the absence of a creditors' committee, the remuneration of the Joint Administrators be fixed by reference to time properly spent by them and their staff in attending to matters as set out in the Fees Estimate (for an amount not exceeding £219,194.00).

I am *in Favour / Against

Decision 3

That the unpaid pre-administration costs as detailed in the Joint Administrators' Statement of Proposals be approved for payment as an expense of the Administration.

I am *in Favour / Against

Decision 4

That the basis of the recharge of the Joint Administrators' category 2 disbursements be fixed by reference to the rates set out in the Joint Administrators' Statement of Proposals and that they be authorised to be reimbursed such disbursements as and when funds permit.

I am *in Favour / Against

Decision 5

That the Joint Administrators be discharged from liability in respect of any action(s) of theirs as Administrators pursuant to the provisions of paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, immediately upon their appointment ceasing to have effect.

I am *in Favour / Against

***delete as appropriate**

TO BE COMPLETED BY CREDITOR:

Dated: _____

Signed: _____

Name of creditor: _____

Position: _____

Proof of Debt – General Form

Relevant date: 18 JUNE 2020

alnur.miah@leonardcurtis.co.uk quoting ref: MB20M/ALM/PROOF

Name of Company in Administration:

Mercol (Office Furniture) Limited

Company registered number:

02765291

1. Name of creditor (if a company, provide registration number)
2. Correspondence address of creditor (including email address)
3. Total amount of claim (£) at relevant date (include any Value Added Tax)
4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)
5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)
6. Details of any security held, the value of the security and the date it was given

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates
8. Details of any document by reference to which the debt relates
9. Signature of creditor (or person authorised to act on the creditor's behalf)
10. Date of signing:
11. Address of person signing (if different from 2 above)
12. Name in BLOCK LETTERS
13. Position with, or relation to, creditor

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.
3. **Please e-mail completed form to:**

alnur.miah@leonardcurtis.co.uk quoting ref: MB20M/ALM/PROOF

NOTICE OF AN INVITATION TO CREDITORS TO FORM A CREDITORS' COMMITTEE

In the:	HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN MANCHESTER - COMPANY & INSOLVENCY LIST (CHD)	No:	CR-2020-MAN-000610
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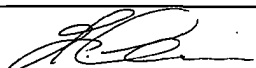
Re:	MERCOL (OFFICE FURNITURE) LIMITED (IN ADMINISTRATION)
Previous Name:	
Registered No:	02765291

Address of Company	20 ROUNDHOUSE COURT, SOUTH RINGS BUSINESS PARK, BAMBER BRIDGE, PRESTON, PR5 6DA
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NOTICE IS HEREBY GIVEN, IN ACCORDANCE WITH PARAGRAPH 57 OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986, RULE 3.39 AND PART 17 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016, THAT creditors are invited to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of that committee. Mark Colman and Megan Singleton invite creditors to put forward their nominations for membership of the committee. Such nominations must be received by the date specified in this notice. The Joint Administrators can only accept nominations if they are satisfied as to the creditors' eligibility under Rule 17.4 of the Insolvency (England and Wales) Rules 2016.

Nominations must be received by:
and should be delivered to:

11 August 2020
Mark Colman and Megan Singleton
20 Roundhouse Court
South Rings Business Park
Bamber Bridge
Preston
PR5 6DA
Tel: 01772 646180
Email: recovery@leonardcurtis.co.uk

Signed:		Dated:	23 July 2020
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Creditors are referred to section 1.8 of this report for a link to guidance for creditors as to the roles, duties and responsibilities of members of creditors' committees.

Under Rule 17.4, a creditor is eligible to be a member of such a committee if they have proved for a debt, which is not fully secured, and the proof has not been wholly disallowed for voting purposes or rejected for the purposes of distribution or dividend. A body corporate may be a member of a committee, but it cannot act otherwise than by a duly appointed representative. No person can be a member as both a creditor and a contributory.