

AM03

Notice of administrator's proposals



Companies House

For further information, please
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1	Company details	
Company number	0 2 9 0 8 1 4 5	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Replicast Limited	
2	Administrator's name	
Full forename(s)	Kris Anthony	
Surname	Wigfield	
3	Administrator's address	
Building name/number	3rd Floor, Westfield House	
Street	60 Charter Row	
Post town	Sheffield	
County/Region		
Postcode	S 1 3 F Z	
Country		
4	Administrator's name ❶	
Full forename(s)	Joanne Louise	❶ Other administrator Use this section to tell us about another administrator.
Surname	Hammond	
5	Administrator's address ❷	
Building name/number	3rd Floor, Westfield House	❷ Other administrator Use this section to tell us about another administrator.
Street	60 Charter Row	
Post town	Sheffield	
County/Region		
Postcode	S 1 3 F Z	
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	Signature		<div><div>✕</div><div>W. Hammend</div><div>✕</div></div>	
Signature date	<div><div>d</div><div>0</div><div>d</div><div>8</div></div>	<div><div>m</div><div>0</div><div>m</div><div>7</div></div>	<div><div>y</div><div>2</div><div>y</div><div>0</div><div>y</div><div>2</div><div>y</div><div>1</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	Olivia Oates
Company name	Begbies Traynor (SY) LLP
Address	3rd Floor, Westfield House
	60 Charter Row
Post town	Sheffield
County/Region	
Postcode	S 1 3 F Z
Country	
DX	
Telephone	0114 2755033



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

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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Julian

Surname

Pitts

3 Insolvency practitioner's address

Building name/number

Fourth Floor

Street

Toronto Square

Post town

Toronto Street

County/Region

Leeds

Postcode

L S 1 2 H J

Country

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

Replicast Limited (In Administration)

Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Replicast Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 1 June 2021
"the administrators", "we", "our", "us"	Kris Anthony Wigfield of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ and Joanne Louise Hammond of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ and Julian Nigel Richard Pitts of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

1. STATUTORY INFORMATION

Name of Company	Replicast Limited	
Trading name(s):	N/A	
Date of Incorporation:	14 March 1994	
Company registered number:	02908145	
Company registered office:	3rd Floor Westfield House, 60 Charter Row, Sheffield, S1 3FZ	
Former registered office:	7 East Bank Road, Sheffield, S2 3PT	
Trading address(es):	7 East Bank Road, Sheffield, S2 3PT	
Principal business activities:	Casting of steel	
Directors and details of shares held in the Company (if any):	Name	Shareholding
	Stephen Oxley	N/A
Company Secretary and details of the shares held in Company (if any):	Name:	Shareholding
	Ian Robert Gerard	N/A
Accountants:	Smith Craven Chartered Accountants Sidings Court, Sidings House, Lakeside, Doncaster, DN4 5NU	
Share capital:	2 Ordinary shares at £1 each	
Shareholders:	The Foundry Association (In Administration)	

2. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	1 June 2021
Date of resignation:	N/A
Court:	High Court of Justice Business and Property Courts In Leeds Insolvency and Companies List (ChD)
Court Case Number:	CR-2021-LDS-000245
Person(s) making appointment / application:	The director of the Company, situated at 7 East Bank Road, Sheffield, South Yorkshire, S2 3PT.
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.

Type of Proceedings:

The proceedings will be COMI proceedings, as defined by the Insolvency (England and Wales) Rules 2016 (as amended)

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

- "3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole."

3. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

The following background information is provided to assist creditors who may have limited knowledge of the Company and its affairs to better understand the reasons for the Company's insolvency.

The summary below is based on information provided by the director of the Company and has not been verified by the Joint Administrators at this stage.

The Company was incorporated in 1994 by The Foundry Association (In Administration) ("TFA"), who is the sole shareholder of the Company. To provide further background information on the relationship between the Company and TFA, the Joint Administrators have included a section on TFA's background below.

TFA Background

TFA was formed in 1953 under its original name the Steel Castings Research and Trade Association ("SCRATA").

SCRATA was established by the UK government to conduct research into steel casting manufacture, processes, new cast alloys, improved material testing techniques etc. SCRATA became the centre of excellence for all UK steel casting research matters and most of the UK steel casting industry were members. A similar body had previously been created for the UK iron casting industry. The British Cast Iron Research Association ("**BCIRA**") was set up in 1923.

SCRATA was based in Sheffield and BCIRA in Alvechurch, Birmingham. To broaden its marketing appeal and reflect the changing nature of the services offered, SCRATA changed its name to the Castings Development Centre ("**CDC**").

Both organisations were companies limited by guarantee and funded by a mixture of government grants, membership subscriptions, provision of member services, testing, environmental inspections, manufacture of prototypes and sales of technology licenses.

Following the decline in the UK steel and iron foundry industries the two organisations merged in 1996. The BCIRA site in Alvechurch continued to operate for some years but was eventually closed down and the site was sold.

After the merger, CDC changed its name to Castings Technology International ("**CTI**"). Both companies offered a final salary pension scheme with a number of generous provisions including annual increases of 5% or RPI, whichever was the higher. The pension schemes were merged to become the Castings Technology International (1998) Pension Scheme (the "**Pension Scheme**").

At 31 March 2007 the Net Pension Liability was £2.5m. The Pension Scheme was closed to future accrual.

Titanium Castings UK Ltd ("**TCUK**") was incorporated on 8 November 2004 and was solely owned by CTI from 8 November 2007.

On 31 July 2013, TFA sold the majority of its business and assets to The University of Sheffield ("**UoS**") for £6,500,000.00, plus a 10 year deferred contribution payment consideration. However, the Company, forming part of the TFA group, and its operating site were not included in the sale and therefore, the Company continued as its own foundry, primarily focusing on steel castings. Furthermore, TFA retained the liability of the Pension Scheme.

TFA's only remaining assets, following the sale, were the long leasehold property situated at 7 East Bank Road, Sheffield, S2 3PT, and its shares in the Company. This meant that the Company had to generate sufficient profits to allow TFA to meet its pension liabilities, considering that arrears had built up as at 2013.

The Pensions Regulator ("**TPR**") agreed to a proposed pension payment schedule, which was based on a 20 year financial forecast that showed the Company growing from a £3,000,000 turnover, with profits before taxation ("**PBT**") of £250,000 in 2013/2014 to sales of £7,700,000 and PBT of £1,100,000 by 2021/2022.

The forecast profits and cash flow were intended to support the future payments to the Pension Scheme. It is the director's view that this forecast was unrealistically optimistic from its starting point.

The Company had a turnover in 2014/2015 of £2,300,000, which reduced in 2015/2016 to £1,750,000 due to the significant downturn in the oil market. Since then the turnover grew to £1,960,000 in 2016/2017, £2,100,000 in 2017/2018 & £2,600,000 in 2018/19.

The Company had forecast sales of £2,900,000 for 2019/2020, however the business was adversely affected by the COVID 19 pandemic, having to work on reduced hours and furlough a number of its staff.

Consequently, the expected cash generation was not met by the Company and was no longer in a position to support TFA in its pension commitments at this time.

A proposed new pension repayment schedule was rejected by the Scheme Trustee. It was agreed between the directors, the Trustee and the Pension Protection Fund (“PPF”) that an orderly wind-down of TFA's affairs and the sale of its main assets (the land & buildings at East Bank Road and its investment in the Company) would provide the best outcome for the Pension Scheme (the only significant creditor of TFA).

On 10 September 2020, TFA formally entered into administration and Kris Anthony Wigfield and Joanne Louise Hammond of Begbies Traynor (SY) LLP were appointed joint administrators.

Company Background

The Company was incorporated as a steel ceramic shell foundry, operating from premises situated at 7 East Bank Road, Sheffield, S2 3PT, which are owned by TFA.

The Company employed 24 members of staff, including the director, who were responsible for the manufacturing of the castings, as well as various members of staff working in the sales and accounts department.

The Company was a leading manufacturer of high integrity ceramic shell and sand castings, for critical service applications. Its customer base covered a diverse range of industries including, but not limited to power generation; defence vehicles; oil and gas; rail track engineering; and fluid processing of chemicals.

The Company produced complex castings which, ranged in weight from 1kg to 750kgs. Its materials technology included:

- Austenitic and Martensitic Stainless Steels;
- Duplex and Super-Duplex Steels;
- Super Austenitic Steels;
- Heat and Wear-Resistant Steels;
- Carbon and Low Alloy Steels;
- NiCrMo Steels;
- Hastelloy™, Inconel™ and other Nickel-Based Alloys;
- Copper Based Alloys; and
- Iron Alloys.

The Company had built up an exceptional reputation within the foundry industry, mainly for the quality of its engineering services, and manufactured to both national and international specifications, including British Standard, BS, EN, DIN & ASTM, and hold accreditations for ISO 9001 & ISO14001 quality management systems.

Following TFA entering into administration, the Company obtained independent legal advice on its trading position and it was concluded that the Company could have a viable future, once it separated from TFA. Furthermore, the Company entered into a settlement agreement with TFA, which provided that the Company pay the settlement sum, comprising of the debt due to TFA together with interest payable on the debt, in total £1,090,451.00. The settlement agreement was made on the following terms:

- £30,259.19 on or before the date of the deed; and
- £30,259.19 per month, beginning October 2020, until the final balance payment of £31,378.87 on or before 31 August 2023.

During the past few years, the Company was working in conjunction with another company to develop a completely new product, with the hope of facilitating entry into a new business sector, being the manufacture of very thin walled ‘canister’ castings which were then filled with titanium powder, hot isotonic pressed, and then finished machines.

The Company developed the process utilising Innovate UK & NATEP research funding, with several blue-chip aerospace companies having expressed an interest in the product. The Company was confident that the potential business from this new product would be significant for its growth within the aerospace supply chain.

Unfortunately, the product development into the aerospace supply chain did not grow as envisaged and the Company had to put a halt on further investment in this regard.

Furthermore, Chinese foundries could produce cheaper castings given the access to material and advanced technology however, the Company were confident that its castings were produced to a much higher specification which triggered customer loyalty with the majority of its clients over a significant period of time.

Over the last 6-12 months, the Company identified that many of its customers were looking to its Chinese competitors for castings which they were getting for a significantly lower price. The Company could not price match with the Chinese competitors and continued to focus on brand loyalty and the high quality of its castings as its unique selling point.

The COVID-19 pandemic accelerated the failure of the Company, given the huge economic impact the pandemic had across the world. Many businesses have faced difficulty with importing and exporting goods, as well as reduced sales from many businesses having to temporarily cease trading during the international lockdowns. The Company believe that this has forced many of its customers to move to the Chinese foundries in order to cut costs and assist with cashflow difficulties caused by the pandemic.

Rationale for Administrators' Appointment

During the period September 2020 to March 2021, the Joint Administrators of TFA had sought to sell the Company's share capital on a solvent sale basis. Despite significant marketing activity and discussions with multiple interested parties, a sale had not been achieved. Given the circumstances outlined above, the director concluded that the Company needed to take specialist advice in relation to its long term trading prospects and financial viability.

The Joint Administrators were first engaged by the director on 23 March 2021, with a view to reviewing the Company's financial affairs and advising on the most appropriate strategy to address the Company's insolvent status. During this period, the director engaged with Eddisons Commercial Limited ("**Eddisons**"), a RICS regulated agent and entity within the Begbies Traynor Group, to market the business and assets for sale.

Eddisons circulated the first marketing teaser with an initial deadline for responses set for 29 April 2021, with a view of the Company entering into administration shortly after. Eddisons received multiple expressions of interest for the business and assets and spent time meeting with the potential buyers and showing them around the site, although no suitable offers crystallised within this period. On this basis, the Company's financial position was reviewed, and it was agreed that the deadline for offers could be extended until 14 May 2021, without worsening the Company's financial position. Following the second deadline, there had still not been any suitable offers to purchase the business and assets and it was agreed that the Company would be sold on a breakup basis, following an orderly wind down of the business within the administration.

Given the extent of the Company's liabilities, and that continued trade would begin to worsen the position for creditors, it was decided by the director that a formal insolvency procedure was required and that an administration would provide for the better return to creditors as a whole rather than other options available.

Therefore, the Company's director took further advice and engaged Begbies Traynor (SY) LLP to place the Company into administration.

Kris Anthony Wigfield, Joanne Louise Hammond and Julian Nigel Richard Pitts were subsequently appointed as Joint Administrators on 1 June 2021.

4. STATEMENT OF AFFAIRS

The director has not yet prepared a statement of affairs of the Company as at 1 June 2021 but has provided the Joint Administrators with sufficient information to prepare the Estimated Statement of Affairs which is attached at Appendix 2. It makes no provision for the costs of the administration or any subsequent liquidation. The Joint Administrators' comments on the statement of affairs are detailed at Appendix 2.

Upon receipt, the director's statement of affairs will be filed at Companies House and available for creditors to review.

5. THE ADMINISTRATION PERIOD

Receipts and Payments

Attached at Appendix 1 is the Joint Administrators' account of receipts and payments from the commencement of administration, 1 June 2021 to 8 July 2021.

Receipts

Cash at Bank

Upon the Joint Administrators' appointment, it was decided that 4 members of staff would need to be retained for a short period. To ensure that there were sufficient funds in the estate in time to make payment of the employee wages, the Joint Administrators arranged for the sum of £7,500.00 to be transferred from the Company's account into the administration estate. The Joint Administrators were made aware that the Company's bank, HSBC UK Plc ("**HSBC**"), had a delay on closing accounts and transferring the funds and therefore, this transfer was made to discharge the wages within a timely manner. HSBC have been asked to transfer the balance of the cash at bank, estimated in the region of £84,000.00, which includes post appointment receipts.

Book Debts

The Joint Administrators' specialist debt recovery team, BTG Advisory, have been instructed to review and collect the Company's debtor ledger. To date, the sum of £51,358.02 has been received. As detailed above, further debtor receipts have been paid into the Company's old account and will be reconciled upon receipt.

Payments

Wages

The Joint Administrators retained 4 members of staff within the administration and therefore, made payment of their wages for this period in the total sum of £4,776.38. This represents the net amount payable to the employees, the associated PAYE and NIC contributions will be paid to HM Revenue & Customs ("**HMRC**") shortly.

Statutory Advertising

The sum of £85.00 has been paid to EPE Reynell Advertising Limited in respect of advertising the Joint Administrators' appointment in the London Gazette.

Work undertaken by the Administrators and their staff

As mentioned above, Eddisons were instructed to conduct a full valuation of the Company's business and assets and prepare the relevant marketing material. As no sale took place prior to the administration, the Joint Administrators have spent time liaising with Eddisons and the director to value the Company's WIP and assets on a break-up basis.

Upon the Joint Administrators' appointment, most of the staff were made redundant and issued with the relevant paperwork in order to start the claims process. The Joint Administrators spent a substantial amount of time reviewing and calculating employee claims, as well as preparing and sending the letters to the employees in respect of the process. Time has been spent assisting employees with the claims process and liaising with the Redundancy Payments Office ("RPO"), a division within the Insolvency Service, in respect of the claims received. The Joint Administrators have submitted the relevant RP14 & RP14a forms to the RPO to ensure that claims are dealt with in a timely manner.

Given the nature of the business it was decided that it would be in the creditors best interests as a whole to retain 4 members of staff from the Company on a short term basis to enable the Joint Administrators to obtain a full stocktake, understand the WIP position, complete ongoing orders, contact suppliers and to assist Eddisons with an ordinary wind down of the business. It was identified that some orders would need completing to allow for the best outcome against the debtor ledger and therefore, retaining the staff allowed for this work to be completed. Following completion of these works, the Joint Administrators have arranged for the employees to be paid within the administration and issued with the relevant paperwork in order to start their claim for redundancy with the RPO.

The Joint Administrators have spent time attending the Company's trading premises, alongside Eddisons, to ensure that suppliers and customers are arranging collection of their tooling so that the site can be cleared in readiness for the onsite auction of the plant and machinery.

In addition, time has been spent instructing Eddisons Insurance Services Ltd ("EIS") to review the most appropriate insurance strategy and to attend and secure the site.

Furthermore, the Joint Administrators have spent time liaising with their specialist debt recovery team to review and collect the Company's outstanding debtor ledger. Time has been spent liaising with Eddisons to ensure that any suppliers with outstanding debts make payment before the tooling is released. This work has realised debtor funds into the estate in the sum of £51,358,02. As mentioned above, further debts have been received into the Company's old account and will be reconciled upon receipt.

Time has been spent attending site to collate and review the Company's books and records to ensure that all the required information, to enable the Joint Administrators to comply with their duties, has been collected.

Moreover, the Joint Administrators have spent time liaising with the PPF in relation to their appointment. Given that the PPF are the largest creditor of TFA, and given the relationship between TFA and the Company, the Joint Administrators have kept the PPF up to date with how matters are progressing.

6. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the Joint Administrators' estimated statement of affairs) are as follows:

Secured creditors

There are no secured creditors.

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £16,903.25.

Secondary preferential creditors

Further to the changes to the Finance Act 2020, HMRC are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

The secondary preferential claim of HMRC is estimated at £49,201.75 which relates to outstanding PAYE for May 2021 in the sum of £1,875.00 and estimated VAT in the sum of £47,326.75.

Unsecured creditors

Claims of unsecured creditors were estimated at £1,228,144.48.

As mentioned above, the Company entered into a settlement agreement with TFA, to settle the intercompany loan, in the sum of £1,090,451.00. The Company began to make payments on a monthly basis, in accordance with the deed however, the Company still has an outstanding amount in the sum of £908,895.90 which is due to TFA. This sum is included in the total unsecured creditors above.

On the basis of realisations to date and estimated future realisations the Joint Administrators estimate an outcome for each class of the Company's creditor as follows:

Secured creditors

There are no secured creditors.

Preferential creditors

The Joint Administrators consider that there will be sufficient funds to facilitate a payment of preferential creditors in full.

Secondary preferential creditors

The Joint Administrators consider that there will be sufficient funds for a dividend to be paid to HMRC after payment in full of the preferential creditors.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- ❑ 50% of the first £10,000 of *net property*,
- ❑ 20% of *net property* thereafter;
- ❑ Up to a maximum amount to be made available of £800,000

An administrator will not be required to set aside the *prescribed part of net property* if:

- ❑ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit; (Section 176A(3)) or
- ❑ the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of the Joint Administrators knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, Section 176A will not apply and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

Based upon realisations to date and estimated future realisations the Joint Administrators anticipate there are likely to be sufficient funds to enable a distribution to unsecured creditors. However, the quantum of this will depend upon the level of realisations against the Company's tangible assets and the WIP.

Effect of administration on limitation periods under the Limitation Act 1980

As explained in their initial correspondence confirming their appointment as administrators, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, they strongly recommend that you seek independent legal advice on the options available to you to prevent this.

7. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

The Joint Administrators are required to set out their proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, the Joint Administrators presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a) i.e. rescuing the Company as a going concern. This is due to the Company's insolvent status, the lack of future capital and the absence of large orders to facilitate the continued trade of the business and recover its insolvent position.

The most appropriate objective to pursue in these circumstances is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration) and the Joint Administrators believe that this will be achieved by the sale of the tangible assets of the Company on a break-up basis, the collection of the debtor ledger and the sale of the WIP.

Notwithstanding the above, the objective as specified in sub-paragraph 3(1)(c) namely realising property in order to make a distribution to one of more secured or preferential creditors will be achieved during the course of the administration as both HMRC and the employees will receive a distribution in respect of their preferential claims.

Details of proposals

In order that the purpose of the administration may be fully achieved, the Joint Administrators propose to remain in office as administrators in order to conclude the realisation of the Company's WIP and tangible assets on a break-up basis. The principle matters to deal with in this respect are:

- Continue to liaise with Eddisons and any potential purchasers with regards to the sale of the WIP and tangible assets;
- It is proposed that the plant and machinery will be disposed of by way of an auction from the Company's premises. The Joint Administrators will liaise with Eddisons in respect of the onsite auction;
- Write to the Company's bank in relation to transferring the credit balance into the estate;
- Continue to make payments to TFA, as an expense of the administration, in accordance with the licence agreement;
- Continue the collection of the Company's debtor ledger;
- Correspond with the Company's creditors, including the PPF, by way of written and verbal communications regarding queries, claims and concerns that may arise during the course of the administration; and
- As and when appropriate to do so, submitting VAT reclaims to HMRC to recover VAT charged on costs and expenses incurred in the course of the administration.

All of this work is necessary to achieve the purpose of the administration and it is anticipated to result (either directly or indirectly) in a financial benefit to creditors. The purpose of the above work is to maximise realisations from the Company's assets, leading to an increase in the net property of the administration estate.

The Joint Administrators' costs will be funded from the realisations in the administration. However, there will be certain items of additional work that are of no direct financial benefit to creditors but which they are required to carry out in accordance with statutory requirements under the Act, regulatory compliance and, tax compliance and legislation. These include:

- Preparing these Proposals to creditors for their approval;
- Carry out a review of the records and any concerns received in readiness for the completion of the report on the director's conduct to be submitted to the Insolvency Service;
- Maintaining their case files and carrying out regular compliance reviews of the case, together with progress reviews, in order to ensure that any statutory requirements are being complied with and that the case is being efficiently and effectively progressed;
- Preparing a progress report from commencement up to the six-month anniversary of the administration to report on progress to creditors, together with details of the costs and expenses incurred during the period of account; and
- Once the Joint Administrators are satisfied that all outstanding matters have been dealt with in the administration, they will issue their final report to creditors on the progress of the administration prior to moving the Company into creditors voluntary liquidation. Alternatively if necessary they may seek an extension of the administration and issue a further progress report to creditors.

Exit from Administration

On present information it is likely that the Company will have sufficient property to enable a distribution to be made to unsecured creditors.

Consequently, as soon as the Joint Administrators are satisfied that they have fully discharged their duties as administrators and that the purpose of the administration has been fully achieved, they propose to implement the provisions of Paragraph 83 of Schedule B1 to the Act whereby on the registration of a notice sent to the Registrar of Companies, their appointment as administrators shall cease to have effect and the Company will automatically be placed into creditors' voluntary liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator.

The Joint Administrators confirm that as part of their proposals they propose that they, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of their proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

Alternatively, if there are insufficient funds to facilitate a dividend to unsecured creditors, the Joint Administrators will deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice their appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

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

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of their appointment. In particular, this situation will arise if the Joint Administrators are not able to conclude the sale of the Company's tangible assets and WIP or the collection of the contractual debts. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, their term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for them to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of their appointment in order to ensure that the objective of the administration can be fully achieved.

The Joint Administrators will seek that they be discharged from liability, in respect of any actions of theirs as administrators, pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, with effect from the date their appointment as Joint Administrators ceases to have effect, once the Company is placed into creditors' voluntary liquidation.

8. PRE-ADMINISTRATION COSTS

In the period before the Company entered administration, the Joint Administrators carried out work consisting of the following ("the Work"):

- Reviewing the Company's financial position;
- Liaising with Eddisons in respect of valuing the Company's business and assets and discussing the marketing and sale strategy;
- Conference calls and emails with the director and IM to discuss certain considerations relating to the Company and its assets;
- Liaising with the director with regards to the appointment of administrators and the strategy with regards to the administration and the realisation of the Company's assets;
- Liaising with IM in relation to drafting the Notice of Intention to appoint Administrators as well as the drafting and filing of the Notice of Appointment;

- Liaising with the PPF and the Pension Trustee in relation to approval of the Administrators appointment and the strategy with regards to the administration and the realisation of the Company's assets; and
- Reviewing the debtors' ledger and assisting the Company's employees with maximising pre-appointment realisations.

The Work was carried out pursuant to an agreement made between the proposed Joint Administrators and the director entered into on 23 March 2021 ("the Agreement"). The Agreement provides for the payment of their fees and the discharge of expenses incurred by them (collectively referred to as "the pre-administration costs") in carrying out the Work. This Work has meant that assets were identified and marketed in a timely manner with a view to maximising realisations for the Company's creditors. In addition, this work has also allowed the Joint Administrators to complete the required legal documents for their formal appointment.

Given the level of work done prior to the Joint Administrators' appointment, the Company agreed to pay a fee of £15,000.00 plus VAT to the proposed Joint Administrators. Therefore, the Joint Administrators are only seeking approval of their outstanding pre-appointment costs, as detailed below.

The Work was carried out before the Company entered administration because the Joint Administrators consider that the Work has furthered the achievement of the objective of administration being pursued, namely achieving a better result for the Company's creditors as a whole than would likely if the Company were wound up (without first being in administration).

The pre-administration costs are broken down as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Joint Administrators' outstanding fees in relation to the Work	Begbies Traynor	17,331.50	3,466.30	20,797.80
Debt Collection costs	BTG Advisory	620.00	124.00	744.00
Legal costs	Irwin Mitchell LLP	3,065.50	613.10	3,678.60
Legal Disbursements	Irwin Mitchell LLP	58.60	11.72	70.32
Legal Costs (Swearing Documents)	MD Law (Yorkshire) LLP	260.00	52.00	312.00
Agents costs	Eddisons Commercial Limited	4,950.00	990.00	5,940.00
Agents Disbursements	Eddisons Commercial Limited	143.00	28.60	171.60
TOTAL PRE-ADMINISTRATION COSTS		26,428.60	5,285.72	31,714.32

The pre-administration costs detailed above are unpaid and the Joint Administrators are seeking that they be paid as an expense of the administration. Approval to discharge such costs ("the unpaid pre-administration costs") as an expense is required from the creditors' committee, or in the absence of a committee, or if the committee does not make a determination, by seeking decisions of creditors. Payment of the unpaid pre-administration costs requires separate approval and is not part of their proposals subject to approval.

In order to provide sufficient information to consider approval of the payment of the unpaid pre-administration costs, a document detailing the work carried out, the associated costs and the proposed remuneration is provided together with a pre-administration Time Costs Summary at Appendix 3. These show the number of hours spent by each grade of staff involved in the case and give the average hourly rate charged.

Irwin Mitchell LLP ("IM")

IM were chosen to advise on the legal matters and advice relating to the appointment. IM were instructed due to their extensive experience in dealing with insolvency matters. They have incurred £3,065.50 plus VAT and disbursements of £58.60 plus VAT where applicable in assisting with matters at the pre-appointment stage.

A brief summary of the pre-appointment work undertaken by IM is provided below:

- Reviewing Company information in relation to the proposed appointment;
- Liaising with the Joint Administrators ahead of the appointment and discussing the appointment process and steps to be taken;
- Drafting a notice of appointment of administrators ("NOA"), the draft resolutions and the necessary ancillary documents required to appoint administrators;
- Liaising with the Joint Administrators and Eddisons in respect of the timings of the appointment, the post-appointment strategy and outstanding matters to be dealt with prior to the appointment;
- Liaising with the Joint Administrators and the director of the Company in respect of the appointment process and facilitating the swearing of the NOA by arranging a virtual meeting with the Company's director and a witnessing solicitor; and
- Arranging for the filing of the NOA and ancillary documentation at Court on 01 June 2021 appointing the administrators of the Company.

Eddisons Commercial Limited ("Eddisons")

Eddisons were chosen to provide a professional valuation on the Company's business and assets and advise on the most appropriate disposal strategy. Eddisons were instructed due to their extensive experience in valuing assets in insolvency proceedings.

A brief summary of the pre-appointment work undertaken by Eddisons is provided below:

- Attending site and providing a professional valuation of all the Company's assets;
- Liaising with the director and proposed Joint Administrators with regards to the WIP position to determine its value;
- Preparing the marketing teaser documents and meeting with potential interested parties; and
- Multiple site visits to prepare an asset schedule and valuation report for the Company's assets.

MD Law (Yorkshire) LLP ("MD Law")

MD Law were instructed to attend the Company premises to witness the swearing of the appointment documentation. Their fees have been agreed on the basis of their standard hourly charge out rates plus disbursements and VAT. The fees incurred to date are £260.00 plus VAT.

9. REMUNERATION AND EXPENSES

Remuneration

The Joint Administrators have not at this time drawn any funds on account of their remuneration, nor on account of certain expenses as approval has not previously been sought. Best practice guidance provides that payments to an office holder should be fair and reasonable and reflect the work that has been, and will be, properly carried out. The following proposal represents what they believe is a fair and reasonable fee basis, based on the work which has been carried out to date and the work which is yet to be undertaken.

The Joint Administrators propose that the basis of their remuneration be fixed under Rule 18.16 of the Rules by reference to the time properly given by them and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (SY) LLP for attending to matters as set out in the fees estimate at Appendix 3.

It is for the creditors' committee to approve the basis of their remuneration under Rule 18.18 of the Rules, but if no such committee is appointed it will be for the creditors to determine. The Joint Administrators intend to deal with this by seeking decisions of creditors via correspondence.

Appendix 3 sets out the Joint Administrators' firm's hourly charge out rates, their fees estimate and the time that them and their staff have spent in attending to matters arising in the administration since 1 June 2021.

Expenses

The Joint Administrators propose that expenses for services provided by their firm and/or entities within the Begbies Traynor group, be charged in accordance with their firm's policy, details of which are set out at Appendix 3. These expenses will be identified by them and will be payable subject to the approval of those responsible for determining the basis of their remuneration.

Estimate of expenses

The Joint Administrators are required by the Rules to provide creditors with details of the expenses that they consider will be, or are likely to be, incurred in the course of the administration. This information also appears at Appendix 3.

Expenditure incurred to date

The expenditure which has been incurred is detailed in Section 6 of this report.

10. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

The Joint Administrators have a statutory duty to investigate the conduct of the director and any person they consider to be or have been a shadow or de facto director during the period of three years before the date of their appointment, in relation to their management of the affairs of the Company and the causes of its failure. The Joint Administrators are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

As administrators of the Company they are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to their attention any potential recoveries for the estate. If you would like to bring any such issues to their attention please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

Investigations carried out to date

Due to the short period of time that has passed since the Joint Administrators' appointment, they have not yet undertaken an initial assessment of possible actions in relation to the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect. As such, we are not currently able to determine the full scope of such investigations and the likely impact on the time required to be spent in dealing with the same.

Connected party transactions

The Joint Administrators have not been made aware of any sales of the Company's assets to connected parties.

Deemed delivery

These proposals will be deemed to have been delivered on 12 July 2021.

Use of personal information

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

Right to request further information

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

Right to make an application to court

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

11. CONCLUSION

The Joint Administrators consider that the Company has sufficient property to enable a distribution to the unsecured creditors, other than from the prescribed part fund of any net floating charge property, under the insolvency legislation, and they are therefore required to seek a decision from the Company's creditors as to whether they approve their proposals. This decision will be sought via the deemed consent procedure and a notice of the decision sought is accompanying this document.

Unless 10% in value of the Company's creditors object to the approval of the Joint Administrators' proposals via the deemed consent procedure, then the creditors will be treated as having made the proposed decision to approve their proposals.

Subject to the approval of their proposals the Joint Administrators will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.



Joanne Louise Hammond
Joint Administrator

Date: 8 July 2021

ACCOUNT OF RECEIPTS AND PAYMENTS

1 June 2021 to 8 July 2021

Replicast Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 08/07/2021

S of A £		£	£
	HIRE PURCHASE		
9,000.00	Vehicle (Linde H45D)	NIL	
(16,517.84)	Societe Generale Equipment Finance	NIL	
			NIL
	ASSET REALISATIONS		
50,000.00	Plant & Machinery	NIL	
100,000.00	Stock/WIP	NIL	
116,000.00	Book Debts	51,358.02	
61,657.63	Cash at Bank	7,500.00	
			58,858.02
	COST OF REALISATIONS		
	Wages	4,776.38	
	Statutory Advertising		
	Advertising	85.00	
			(4,861.38)
	PREFERENTIAL CREDITORS		
(8,290.48)	RPO re Arrears/Holiday Pay	NIL	
(8,612.77)	Employees re Arrears/Hol Pay	NIL	
			NIL
	SECONDARY PREFERENTIAL CREDITORS		
(47,326.75)	HMRC (VAT)	NIL	
(1,875.00)	HMRC (PAYE)	NIL	
			NIL
	UNSECURED CREDITORS		
(86,874.68)	Trade Creditors	NIL	
(13,629.56)	Employees	NIL	
(194,382.59)	RPO	NIL	
(28,240.00)	HMRC (CT)	NIL	
(908,895.90)	Associated Company Loan	NIL	
			NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	
			NIL
(977,989.94)			53,996.64
	REPRESENTED BY		
	Vat Receivable		17.00
	Bank 1 Current		53,979.64
			53,996.64

**JOINT ADMINISTRATORS' ESTIMATED
STATEMENT OF AFFAIRS AS AT 1 JUNE 2021**

Insolvency Act 1986

Replicast Limited
Company Registered Number: 02908145

Estimated Statement Of Affairs as at 1 June 2021

	Book Value £	Estimated to Realise £
ASSETS		
Vehicle (Linde H45D)		9,000.00
Societe Generale Equipment Finance		(16,517.84)
Deficiency c/d		<u>(7,517.84)</u>
Plant & Machinery	153,072.00	50,000.00
Stock/WIP	567,604.00	100,000.00
Book Debts	158,577.42	116,000.00
Cash at Bank	61,657.63	<u>61,657.63</u>
		327,657.63
LIABILITIES		
PREFERENTIAL CREDITORS:-		
RPO re Arrears/Holiday Pay		8,290.48
Employees re Arrears/Hol Pay (Count=20)		8,612.77
		<u>16,903.25</u>
		310,754.38
2nd PREFERENTIAL CREDITORS:-		
HMRC (VAT)		47,326.75
HMRC (PAYE)		1,875.00
		<u>49,201.75</u>
		261,552.63
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003		
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		
		<u>NIL</u>
		261,552.63
Estimated prescribed part of net property where applicable (to carry forward)		
		<u>NIL</u>
		261,552.63
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003		
		<u>NIL</u>
		261,552.63
Estimated prescribed part of net property where applicable (brought down)		
		<u>NIL</u>
		261,552.63
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Deficiency b/d		7,517.84
Trade Creditors (Count=37)		86,874.68
Employees (Count=5)		13,629.56
RPO (Count=0)		194,382.59
HMRC (CT)		28,240.00
Associated Company Loan (TFA)		<u>908,895.90</u>
		1,239,540.57

Insolvency Act 1986

Replicast Limited
Company Registered Number: 02908145

Estimated Statement Of Affairs as at 1 June 2021

	Book Value £	Estimated to Realise £
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		<u>(977,987.94)</u> (977,987.94)
Issued and called up capital Ordinary Shareholders		2.00 <u>2.00</u>
TOTAL SURPLUS/(DEFICIENCY)		<u><u>(977,989.94)</u></u>

Notes

Begbies Traynor (SY) LLP
Replicast Limited
Company Registered Number: 02908145
B - Company Creditors

Key	Name	Address	£
CA00	ADT Fire & Security plc	PO Box 69, Manchester, M40 4BH	274.25
CA01	Air Products CryoEase Services	CryoService Ltd, PO Box 16, Sheffield, S98 1AZ	95.80
CA02	Allied Metals GmbH	Bolkerstrasse 69, 40213, Dusseldorf, Germany	7,344.90
CA03	AG Group Limited (Canon)	Canon House, Harvest Lane, Sheffield, S3 8EF	2,678.88
CA04	Apollo Distribution Solutions	10 East Earsham Street, Sheffield, S4 7PD	792.00
CA05	Altus Group	Oakland House, Talbot Road, Manchester, M16 0PQ	1,924.56
CA06	A G Rentals (Yorkshire) Ltd	Canon House, Harvest Lane, Sheffield, S3 8EF	960.61
CB00	BOC Ltd	Priestley Road, Worsley, Manchester, M28 2UT	188.40
CB01	BSI	Accounts Receivable, Receipts Office, PO Box 3000, Milton Keynes, MK1 9EL	171.60
CC00	Capital Refractories Limited	Station Road, Clowne, Derbyshire, S43 4AB	1,208.91
CC01	C & D Express Transport Ltd	Rawson Spring Way, Riverdale Ind Est, Sheffield, * A/c REP, S6 1PG	89.71
CC02	Chemetall Limited	Denbigh Road, Bletchley, Milton Keynes, MK1 1PB	333.48
CC03	Cronifer (UK) Ltd	Hardwick View Road, Holmewood Ind Estate, Holmewood, Chesterfield, S42 5SA	6,728.40
CE00	Eildon Refractories Limited	'Birnham' Balnakiel, Galashiels, Selkirkshire, Scotland, TD1 1TQ	195.78
CE01	Element Ltd	Salmon Pastures, 90 Warren Street, Sheffield, S4 7DZ	840.00
CE02	EEF Ltd	St James's House, Frederick Road, Edgbaston, Birmingham, B15 1JJ	616.13
CE03	Enterprise Flex-E-Rent	Flex-E-Rent House, Knights Way, Battlefield Enterprise Park, Shrewsbury, SY1 3AB	769.05
CF00	Foseco, Vesuvius UK Limited	Drayton Manor Business Park, Tamworth, Staffordshire, B78 3TL	3,084.85
CG00	Go Direct (Europe) Ltd	The Riverside, Furnival Road, Sheffield, S4 7YA	96.00
CH00	Heraeus Electro-Nite (UK) Ltd	Carlisle Close, Chesterfield, Derbyshire, S41 9ED	121.80
CH01	Harrison Saw & Tool Limited	Underbank Way, Carr's Ind Est, Haslingden, Rossendale, Lancashire, BB4 5HR	718.06
CH02	HM Revenue & Customs (CT)	Insolvency Claims Handling Unit (ICHU), Benton Park View, Longbenton, Newcastle, NE98 1ZZ	28,240.00
CH03	HM Revenue & Customs (PAYE)	Insolvency Claims Handling Unit (ICHU), Benton Park View, Longbenton, Newcastle, NE98 1ZZ	1,875.00
CH04	HM Revenue & Customs (VAT)	Insolvency Claims Handling Unit (ICHU), Benton Park View, Longbenton, Newcastle, NE98 1ZZ	47,326.75
C100	Induction Melting Repairs Ltd	Unit F, Bessemer Road, Attercliffe, Sheffield, S9 3XN	120.00
C101	Internet Refractory Products	Unit 3 Arundel Business Park, Claywheels Lane, Sheffield, S6 1LZ	279.86

Begbies Traynor (SY) LLP
Repicast Limited
Company Registered Number: 02908145
B - Company Creditors

Key	Name	Address	£
CI02	Induction Furnace Services Ltd	83 Thornton Street, Rotherham, S61 2LQ	1,562.40
CM00	MF Hire Ltd	Suite 5, Parkway Business Cntr, The Quardant, 99 Parkway Avenue, Sheffield, S9 4WG	18.00
CO00	O2	260 Bath Road, Slough, Berkshire, SL1 4DX	289.77
CP00	Principal Power Tools Ltd	Unit 2D, Lloyd Street, Parkgate, Rotherham, S62 6JG	691.32
CP01	PL Fabrications Ltd	The Foundry-Aztec Works, Hicks Street, Sheffield, S3 8BL	470.40
CQ00	Quality Heat Treatments Ltd	Chesterford Way, Eastwood Trading Estate, Rotherham, S65 1ST	2,142.00
CR00	Recycalloy Ltd	Unit 3, Pye Bridge Ind. Estate, Pye Bridge, Derbyshire, DE55 4NX	2,871.76
CS00	Sibelco UK	Brookside Hall, Congleton Road, Sandbach, Cheshire, CW11 4FT	1,228.62
CS01	Sheffield City Council	Resources, Town Hall, Sheffield, S1 2HH	45,872.00
CS02	Shepherd Distribution Services	Birley Vale Avenue, Sheffield, S12 2AX	43.76
CS03	Societe Generate Equipment Finance Ltd	5 Kew Road, Richmond, Park Shot House, Surrey, TW9 2PR	7,517.84
CT00	The Foundry Association (In Administration)	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	908,895.90
CU00	United Crane Services / RBS	Niagara Forge, Claywheels Lane, Sheffield, S6 1LZ	203.52
CV00	Viridor Waste Management Ltd	Accounts Dept, P.O.Box 237, Taunton, Somerset, TA1 1QU	661.56
CW00	Water Hygiene Solutions	16 Church Lane, Mirfield, West Yorks, WF14 9HU	325.00
CW01	Wallwork Heat Treatment Ltd	Lord Street, Bury, Lancashire, BL9 0RE	861.54
42 Entries Totalling			1,080,730.17

Begbies Traynor (SY) LLP
Replicast Limited
B1 - Company Creditors - Employees & Directors

Key	Name	Address	Pref £	Unsec £	Total £
EB00	Danny Blakeley	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ		2,154.06	2,154.06
EB01	Lorraine Brentnall	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	253.50	2,793.76	3,047.26
EB02	Kyle Brown	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	673.30	5,285.54	5,958.84
EB03	Mark Brunt	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	559.86	3,490.40	4,050.26
EB04	Zoe Brunt	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	654.29	402.89	1,057.18
EC00	Lee Cusworth	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	950.78	349.04	1,299.82
ED00	Vaughan Dooley	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ		1,238.28	1,238.28
EF00	Gary Ford	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	1,922.50	21,734.68	23,657.18
EG00	Ian Gerard	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ		12,312.02	12,312.02
EG01	Andrew Glaves	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	301.94	14,498.50	14,800.44
EG02	Robert Craig Grant	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	423.30	8,855.60	9,278.90
EI00	Michael Ives	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	854.26	12,427.29	13,281.55
EK00	Paul Kay	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	920.26	16,362.39	17,282.65
EK01	Jamie Kilby	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	193.35	368.99	562.34
EM00	Zoe Marshall	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	375.89	1,534.24	1,910.13

Begbies Traynor (SY) LLP
Replicast Limited
B1 - Company Creditors - Employees & Directors

Key	Name	Address	Pref £	Unsec £	Total £
EM01	Cathryn Morris	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	972.73	3,280.35	4,253.08
EO00	Stephen Oxley	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	1,936.44	12,372.60	14,309.04
EP00	Mr Michael Pover	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	2,252.13	25,352.72	27,604.85
ES00	Darren Sampson	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	1,809.56	16,834.80	18,644.36
ES01	Jake Shaw	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	132.10	1,475.96	1,608.06
ES02	Kay Slater	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	238.79	6,175.68	6,414.47
ES03	Nigel Styring	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	1,053.84	13,283.64	14,337.48
EW00	Nathan Paul Webster	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ	424.43	5,949.96	6,374.39
EW01	Bruce Wright	C/O Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ		19,478.76	19,478.76
24 Entries Totalling			16,903.25	208,012.15	224,915.40

Begbies Traynor (SY) LLP
Repicast Limited
Company Registered Number: 02908145
B2 - Company Creditors - Consumer Creditors

Key	Name	Address	£
0 Entries Totalling			0.00

JOINT ADMINISTRATORS' ESTIMATED STATEMENT OF AFFAIRS

Notes to the Joint Administrators' Estimated Statement of Affairs.

1. The Plant & Machinery has been professionally valued by Eddisons Commercial Limited ("Eddisons"), RICS regulated agents, on a break-up basis. They have provided an estimated to realise figure of approximately £50,000.00. The Plant & Machinery is due to be sold via an on-site auction.
2. The Company has a vehicle, specifically a used Linde H45D truck, on finance with Societe Generale Equipment Finance ("SGEF"). SGEF have an outstanding balance of £16,517.84 due from the Company and as there is believed to be no equity in the vehicle, SGEF have expressed an interest in Eddisons including the vehicle within their on-site auction. The realisable value, which has been estimated by Eddisons, is between £8,000.00 and £10,000.00.
3. The Stock/WIP has also been professionally valued by Eddisons and their estimated to realise figure is in the sum of £100,000.00.
4. The contract debts have been reviewed by BTG Advisory who have estimated that, despite a couple of ongoing disputes, all the contract debts should be realised into the estate and have therefore, provide an estimated to realise value in the sum of £145,000.00. In the interest of prudence, a 25% provision has been added to this value, giving an estimated to realise figure in the sum of £116,000.00.
5. The Joint Administrators are aware that the Company's bank account had a credit balance of £61,657.63 therefore, this should be realised into the estate.
6. The claims of the Department for Business, Energy and Industrial Strategy represent employees' estimated claims under The Employment Rights Act 1996 in respect of arrears of pay to a maximum of £800 per employee and holiday pay which are claimed preferentially, and pay in lieu of notice, redundancy pay and arrears of pay in excess of £800 which are non-preferential.

The preferential claim for the Redundancy Payments Office ("RPO") is in the sum of £8,290.48.

There is a preferential claim for employees in the sum of £8,612.77.

7. Further to the changes to the Finance Act 2020, HM Revenue & Customs ("HMRC") are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

The secondary preferential claim of HMRC is estimated at £49,201.75 which relates to outstanding PAYE for May 2021 in the sum of £1,875.00 and estimated VAT in the sum of £47,326.75.

8. Section 176A(2) of the Act requires the administrators to set aside the prescribed part of the Company's net property for the satisfaction of unsecured debts. "**Net property**" means the amount which would, if it were not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of realisation). The **prescribed part** is 50% of the first £10,000 and 20% of the remaining net property (up to a maximum of £600,000).

We will not be required to set aside the prescribed part of net property if:

- a. The net property is less than £10,000 and we think that the cost of distributing the prescribed part would be disproportionate to the benefit;
- b. Or if the net property is more than £10,000, if the provision is disapplied by the court on the application of the administrator on cost-benefit grounds.

To the best of the Joint Administrators knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, Section 176A will not apply and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

9. As mentioned above, SGEF have requested that their vehicle be included and sold within the on-site auction by Eddisons. Provided that the vehicle is sold within the region of Eddisons' valuation, it is estimated that they will have a remaining claim in the sum of £7,517.84.
10. There is a trade creditor ledger in the sum of £86,874.68 which consists of 37 creditors.
11. There are 5 employees who have an unsecured claim in sum of £13,629.56 in respect of pay in lieu of notice.
12. The RPO has an unsecured claim in the administration in respect of redundancy pay and pay in lieu of notice.
13. The unsecured claim of HMRC represents Corporation Tax in the sum of £28,240.00.
14. As mentioned previously, the Company entered into a settlement agreement with TFA in relation to the associated Company loan. The Company made initial payments in accordance with the agreement however, they have an outstanding amount due to TFA in the sum of £908,895.90.
15. Creditors' claims are subject to agreement and will not be prejudiced by omission from the Statement of Affairs or by inclusion in a different amount from that claimed.
16. The estimated total deficiency, including the calculation of the prescribed part of the Company's net property, is subject to the costs of administration and distribution for which no provision is made in the statement of affairs.

REMUNERATION AND EXPENSES

Total time spent to 8 July 2021 on this assignment amounts to 132.9 hours at an average composite rate of £253.86 per hour resulting in total time costs to 8 July 2021 of £33,738.00.

To assist creditors in determining this matter, the following further information appears in this appendix:

- ❑ Begbies Traynor (SY) LLP's charging policy;
- ❑ Pre-administration Time Costs Summary with Pre-Administration Time Costs Analysis attached;
- ❑ Summary of work to be undertaken, payments and expenses;
- ❑ Table of time spent and charge-out value;
- ❑ The Administrators' fees estimate; and
- ❑ Details of the expenses that the Administrators consider will be, or are likely to be, incurred.

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This policy applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within the Joint Administrators' fee estimate creditors can see how they propose to be remunerated.

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

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

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

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded in 6-minute units at the individual's hourly rate in force at that time which is detailed below.

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

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 expenses (approval not required)* - Specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 expenses (approval required)* - Items of expenditure that are directly related to the case and either:
 - (i) include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

Shared or allocated costs (pursuant to (i) above)

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

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

Payments anticipated to be made to associates (pursuant to (ii) above)

Services provided by other entities within the Begbies Traynor group

The following expenses which relate to services provided by an entity within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Commercial Limited to provide assist with the disposal of the Company's assets. Their charges will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

It may become necessary during the course of the liquidation to instruct Eddisons Insurance Services Limited ("EIS") to provide assistance in relation to a claim on the Company's Business Interruption Insurance Policy. Their fees in relation to this work will be between 7.5% and 10% of realisations depending upon the circumstances regarding the claim.

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The forecasted cost of insurance for the property on a reinstatement basis is £395.00 per month inc IPT. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Where relevant, administration fees may be charged. These costs are taken into consideration and included within the forecasted cost of insurance, above.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

General Office Overheads.

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- ☐ Telephone and facsimile
- ☐ Printing and photocopying
- ☐ Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

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

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

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

As detailed above, time is recorded in 6 minute units.

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

DETAILS OF THE WORK CARRIED OUT PRE ADMINISTRATION, THE ASSOCIATED COSTS AND THE PROPOSED REMUNERATION FOR THE WORK

CASE NAME: Replicast Limited

CASE TYPE: ADMINISTRATION

OFFICE HOLDERS: Kris Anthony Wigfield, Joanne Louise Hammond and Julian Nigel Richard Pitts

DATE OF APPOINTMENT: 1 June 2021

1 CASE OVERVIEW

1.1 This overview is intended to provide sufficient information to enable the body responsible for the approval of pre-administration costs to consider the level of those costs in the context of the case.

1.2 Time costs information

Details of the time spent by each grade of staff prior to the appointment of the administrators and the overall average hourly charge out rate for the pre-administration work are set out in the attached table.

Full details of the work undertaken by the administrators and their staff prior to appointment are set out below and in the Administrators' Statement of Proposals.

1.3 Overview of work undertaken prior to appointment

Prior to appointment, the proposed Joint Administrators spent a considerable amount of time advising the director on the alternative options and/or processes available to the Company and advised the director on the appropriate process for appointing administrators.

A full breakdown of the pre-appointment work undertaken is provided in the main body of the Proposals, however, a further summary is provided below:

- Review of the Company's financial position;
- Liaising with the Company's director in relation to the provision of information;
- Discussions with Eddisons Commercial Limited ("Eddisons") in relation to the valuation and sale of the Company's tangible assets and WIP;
- Liaising with Irwin Mitchell LLP ('IM') and the Company's director in relation to the appointment of administrators; and
- Liaising with the Pension Protection Fund ('PPF') in relation to the potential appointment of the Joint Administrators and agreeing a strategy to maximise the return to creditors.

1.4 Complexity of work undertaken prior to appointment

The work is complex and involved high level strategy discussions between the proposed administrators, the director and Eddisons in relation to the proposed appointment of administrators and the strategy with regards to the realisation of the Company's assets.

Also as mentioned above the proposed administrators have spent a considerable amount of time and resource in liaising with Eddisons regarding the valuation and marketing strategy of the Company's business and assets and as such the majority of the work has been carried out by the Joint Administrators, the manager and case administrator assigned to the matter.

1.5 Exceptional responsibilities

The majority of the work was undertaken by the proposed administrators and senior case staff due to the complex nature of work.

1.6 The proposed Administrators' effectiveness

As detailed within the attached proposals, it was not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a) as the Company was unable to be rescued as a going concern due to the extent of its liabilities and, given there was no interest in the purchase of the business as a going concern.

Consequently, the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration). The Joint Administrators consider that this objective will be achieved, as the appointment of administrators has facilitated:

- Securing the Company's tangible assets which should enable the Joint Administrators to maximise realisations for the benefit of creditors;
- Enabling Eddisons to commence marketing the Company's business and assets, which should ensure that they are adequately marketed and that optimum value is received for the same; and
- The joint administrators are able to fully investigate the circumstances of the Company's insolvency.

1.7 The views of the creditors

The views of the Company's creditors with regards to discharge of the pre-appointment costs have not been sought directly until this point.

However, the proposed Joint Administrators liaised with the PPF in relation to the appointment, given their position as the majority creditor of TFA.

1.8 Approval of fees, and expenses incurred in the period prior to appointment

The Joint Administrators are seeking agreement to a resolution in relation to their pre-administration costs together with legal and agents costs as follows:

- That the unpaid pre-administration costs detailed in the Joint Administrators' Statement of Proposals for achieving the purpose of administration, be approved for payment.

1.9 Expenses incurred in the period prior to appointment where payment is proposed to be made to Begbies Traynor and/or another entity with Begbies Traynor Group

Category 2 Expenses

There are no Category 2 expenses to be charged in relation to the period prior to appointment.

1.10 Other professionals employed & their costs

Irwin Mitchell LLP ("IM") were chosen to advise on the legal matters and advice relating to the appointment. IM were instructed due to their extensive experience in dealing with insolvency matters. They have incurred £3,065.50 plus VAT and disbursements of £58.60 Inc. VAT where applicable in assisting with matters at the pre-appointment stage.

MD Law (Yorkshire) LLP ('MD Law') were instructed to attend the Company premises to witness the swearing of the appointment documentation. Their fees have been agreed on the basis of their standard hourly charge out rates plus disbursements and VAT. The fees incurred to date are £260 plus VAT.

Eddisons were instructed to value the Company's business and assets and to provide a marketing and disposal strategy in relation to the same. They were chosen due to their experience and qualifications and they are able to provide qualified valuers to enable the Company's assets to be professionally valued which, the Joint Administrators are unable to do.

1.11 Staffing and management

The staff were chosen based on their experience, qualifications and knowledge of dealing with similar administrations. The case is overseen by three licenced insolvency practitioners within the Sheffield and Leeds offices who have dealt with the pre appointment matters leading up to the appointment.

In addition, the day to day running of the case will be dealt with by a manager, and a case administrator within the Sheffield office who, will report to all the office holders on a frequent basis, to ensure all statutory matters are complied with and completed in the relevant timescales.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING POLICY

- 2.1 Begbies Traynor (SY) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 3.
- 2.2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 3.

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	N/A	Total Hours	Time cost £	Average hourly rate £
Administration	Administration	4.1		8.9			13.6	2.5	0.4		49.70	17,680.00	356.73
	Case planning		0.2	0.7						4.0	4.90	940.50	191.94
Assets	Negotiation of sale of business +/- assets	0.9		0.7			0.5				6.40	2,688.00	420.00
Creditors	Other creditors	4.1					3.3				7.40	2,607.00	352.30
	Secured - correspondence and meetings												
Other Matters	Meetings and correspondence with directors	5.8		13.2			6.3				25.30	8,527.50	337.06
	Travel												
Total hours by staff grade		31.0	8.4	0.2	23.5		23.7	2.5	0.4	4.0	93.7		
Total time cost by staff grade £		15,345.00	3,738.00	79.00	8,107.50		4,147.50	350.00	56.00	620.00		32,443.00	
Average hourly rate £		495.00	445.00	395.00	345.00		175.00	140.00	140.00	155.00			346.24
Total fees drawn to date £												0.00	

Replicast Limited

SUMMARY OF WORK TO BE UNDERTAKEN, PAYMENTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis attached, is intended to provide sufficient information to enable the body responsible for the approval of the Joint Administrators fees and the payment of certain expenses to make an informed judgement about the reasonableness of their request for approval of the same.

What work has been done since they were appointed, why was that work necessary and what has been the financial benefit (if any) to creditors?

To assist creditors the Joint Administrators have used the headings from their Fees Estimate and Time Costs Analysis attached, to categorise the work that has been and will be undertaken in the administration.

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

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached.

General case administration and planning

The Joint Administrators have arranged for the Company's statutory information that is within their possession to be reviewed and updated onto their systems to enable the relevant statutory documentation to be issued. In addition, the statutory checklists have been completed to ensure that the necessary paperwork following their appointment has been issued where relevant.

A case specific diary template has been added to their system, which assists them in keeping all statutory matters up to date.

Time has been spent updating internal systems to ensure that all information required to allow them to effectively manage the administration of the case, has been obtained and held.

The Joint Administrators formulated an appropriate strategy and monitored and reviewed that strategy to ensure that the case is administered and progressed efficiently.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with following best practice guidelines known as Statements of Insolvency Practice. The Joint Administrators have certain statutory obligations and duties to fulfil whilst in office which include the regular filing of progress reports with Companies House and the filing of a final report at the end of the period. They are also required to notify various bodies of their appointment, including creditors, Companies House, and advertise their appointment in the London Gazette.

The Joint Administrators are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings. There is also the duty to investigate the directors' conduct, bond the case appropriately and instruct professionals such as property agents and solicitors to assist where necessary.

During the reporting period, in line with the requirements of the Insolvency Act 1986 and recognised best practice, the Joint Administrators have:

- 1) Dealt with the post appointment statutory formalities including statutory advertising and notifying varying parties of their appointment;
- 2) Prepared the accompanying Proposals for circulation to creditors, together with other written resolutions by correspondence, for approval;
- 3) Dealt with other sundry regulatory compliance matters;
- 4) Notified creditors of their appointment;
- 5) Notified Companies House of their appointment and updated the registered office address;
- 6) Obtained a statutory bond to cover the proposed realisations into the case for the benefit of the creditors; and
- 7) In addition, the Joint Administrators have arranged for a case bank account to be opened in order that incoming and outgoing transactions can be posted onto the system and carried out accordingly.

Whilst these items of work are not of a direct financial benefit to creditors, they are either a statutory or regulatory requirement that they must adhere to and it is of benefit to creditors as it ensures that they are advised of matters arising and progress within the administration. Moreover, it presents the administrators' Proposals to creditors for their agreement or otherwise. The Proposals are also accompanied by certain resolutions as regards remuneration and expenses which must be presented to creditors for their approval.

Investigations

Since their appointment, the Joint Administrators have spent time attending the Company's trading premises to obtain the books and records to enable their investigations to begin imminently. This work is required to allow the Joint Administrators to undertake their investigations in due course and meet the requisite statutory obligations.

There has been no financial benefit to creditors on this matter to date however, it is unclear at present whether future works will result in any realisations for the benefit of the estate. Creditors will receive updates on these matters in their progress reports.

Realisation of assets

Following their appointment, the Joint Administrators have continued to liaise with Eddisons Commercial Limited ("Eddisons") in relation to the sale of the Company's assets. Eddisons are in the process of selling the Company's stock to various customers in order to clear the site in preparation for the on-site auction. The Joint Administrators have liaised with Eddisons in this regard.

In order to assist Eddisons with the stocktake and finalising orders ready to be sold, time was spent retaining 4 members of staff to assist with the same.

Time was spent instructing Eddisons Insurance Services Limited ('EIS') to arrange appropriate insurance and security cover.

In addition to the above, time has been spent writing to the Company's bank requesting for any credit funds to be transferred into the administration estate.

Furthermore, time has been spent liaising with the Joint Administrators' specialist debt recovery team in relation to the Company's debtor ledger and they have spent time collating the relevant information required.

The realisation of assets furthers the purpose of the administration and is of direct financial benefit to creditors as the works undertaken will result in higher funds being available for distribution.

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

The Joint Administrators have liaised with the PPF in relation to their appointment, given their relationship with the Company.

In addition, time has been spent reviewing the received Creditor Proof of Debt forms and updating our IPS system.

In addition, the Joint Administrators have incurred time writing to all employees providing them with formal notice of their redundancies. Furthermore, time has been spent inputting the employee claims onto their internal systems and arranging for the RP14 & RP14A forms to be submitted to the Redundancy Payments Office to ensure claims are dealt with in a timely manner.

Given the number of redundancies made, the Joint Administrators have incurred time submitting a HR1 form.

This work has not provided any financial benefit to creditors however, this work is required to ensure that creditors claims are dealt with effectively and in a timely manner.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

The Joint Administrators have incurred time travelling to the Company's trading premises to assist with the realisation of assets and their statutory investigations.

There may not be any obvious financial benefit to creditors, but all work carried out would likely be considered necessary for the administration and progression of the case. Creditors will be notified of all of their actions in the progress and/or final reports issued.

Time Costs Analysis

An analysis of time costs is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by the Joint Administrators and their staff following their appointment only.

Pre Administration costs

Details of the resolution in regards to the Joint Administrators pre-administration costs are detailed in the main body of the proposals at section 9.

Expenses

Details of all of the expenses incurred in the period of this report and also since the date of the Joint Administrators' appointment are attached at appendix 3.

Category 2 Expenses

No Category 2 expenses have been charged to the case since the date of the Joint Administrators' appointment.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

Why have subcontractors been used?

Irwin Mitchell LLP ("IM") were chosen to advise on the legal matters and advice relating to the appointment. IM were instructed due to their extensive experience in dealing with insolvency matters.

MD Law (Yorkshire) LLP ("MD Law") were instructed to attend the Company premises to witness the swearing of the appointment documentation. Their fees have been agreed on the basis of their standard hourly charge out rates plus disbursements and VAT.

Eddisons were instructed to value the Company's business and assets and to provide a marketing and disposal strategy in relation to the same. They were chosen due to their experience and qualifications and they are able to provide qualified valuers to enable the Company's assets to be professionally valued which, the Joint Administrators are unable to do.

EIS were instructed to provide adequate insurance and security services for the Company's assets and trading premises. EIS were chosen based on their experience and qualifications and they are able to provide insurance and security services which the Joint Administrators are unable to do.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

The Joint Administrators will continue to ensure that their files are maintained and will carry out regular compliance reviews of the case in order to ensure that matters are being progressed in an efficient and timely manner. As mentioned above, whilst the above work is not of a direct financial benefit to creditors, they are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

The Joint Administrators will continue to complete works required to maintain the administration including periodically reviewing the case to ascertain which works remain outstanding and progressing the case to ensure all statutory requirements have been completed during the course of the administration and, in readiness for closure as and when applicable.

In addition, all statutory documentation which is required to be issued to the relevant parties during the course of the administration will be compiled and issued on the statutory due dates. Also time will be spent updating the electronic diary facility.

In addition, all statutory documentation which is required to be issued to the relevant parties during the course of the administration will be compiled and issued on the statutory due dates.

Periodic case reviews will be carried out one, three and six monthly intervals to ensure that all statutory documentation has been completed and issued in the relevant timescales and that any outstanding matters within the administration have been concluded as necessary.

There will be no financial benefit to creditors from our work in this area. However, we have a duty to undertake this work and therefore these costs cannot be avoided.

Compliance with the Insolvency Act, Rules and best practice

The Joint Administrators will prepare and submit to all relevant parties the statutory administrators' deemed approval notice, six monthly progress report and final report pursuant to The Insolvency Act 1986 and deal with all statutory requirements pursuant to The Insolvency Act and Rules, including reporting to shareholders and creditors.

In addition, banking duties will be carried out by way of the posting of income and expenditure, and reconciling the bank account together with the processing of bank statements etc.

Also, periodic bond reviews will be carried out to ensure that the case remains adequately bonded and remains bonded throughout the administration process.

Again, there will be no financial benefit to the creditors from the work carried out in this area. However, we have a duty to undertake this work and therefore, these costs cannot be avoided.

Investigations

The Joint Administrators have a statutory obligation to submit a report on the directors' conduct to The Department for Business, Energy and Industrial Strategy ("DBEIS"). The contents of this report are of a confidential nature between the Joint Administrators and DBEIS and any necessary investigations will be conducted in due course.

The Joint Administrators are in the process of undertaking an initial assessment of the manner in which the business was conducted prior to the administration of the Company, to determine whether there may potential actions against any one or more parties which could be brought against them for the benefit of creditors generally. They have carried out limited enquiries at this juncture, it is difficult to estimate what time they may have to incur for this purpose. Clearly, any cost incurred which results in a successful recovery will be of direct benefit to creditors.

In order that the above work can be carried out, the Joint Administrators will carry out a thorough review of the Company's books and records together with a review of the Company's bank statements to identify any unusual payments that may have occurred during the period prior to the Joint Administrators' appointment. In addition, the Joint Administrators will review any concerns received from creditors with regard to the directors' conduct.

Dependent upon their findings following the above investigations, this could uncover potential claims which may need to be investigated further during the course of the administration. Any such investigations will be carried out if and when required.

To date, the Joint Administrators are unaware as to whether the above work will provide any financial benefit to the Company's creditors as it is uncertain as to whether any realisations will be achievable from these sources.

Realisation of assets

As mentioned above, the Joint Administrators will continue to liaise with Eddisons in relation to the sale of the Company's WIP and tangible assets.

The Joint Administrators will also continue the collection of the debtor ledger.

The Joint Administrators will take steps to chase the cash at bank and ensure that the credit balance is transferred to the administration estate.

The Joint Administrators anticipate that the above work will provide a financial benefit to the Company's creditors as it should enable a distribution to be paid to creditors.

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

The Joint Administrators will continue to liaise with the PPF to keep them apprised of the progress of the administration by way of written and verbal communications.

Time will be spent dealing with creditor queries as and when received as well as updating the Joint Administrators IPS system with any claims received.

The Joint Administrators will spend time dealing with employee queries as and when received and liaising with the RPO in relation to their indebtedness.

The above work will not provide a financial benefit to creditors in general however, this work is required in order to progress the administration and therefore these costs cannot be avoided.

Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures) tax, litigation, pensions and travel

Time will be spent submitting the relevant VAT and Corporation Tax returns as and when they fall due.

The Joint Administrators will also review the viability of a Terminal Loss Relief claims and take the appropriate steps following the review.

The above work will not provide a financial benefit to creditors however, this work is of a statutory nature and therefore these costs cannot be avoided.

How much will this further work cost?

As you will see from the attached fees estimate, the Joint Administrators anticipate that their total post-appointment time costs in this matter will be in the region of £143,462.00. To date, time costs of £33,738.00 have been incurred. Further fees of £109,724.00 are therefore estimated to be incurred.

Please note that their fee estimate is an estimate based upon time spent on similar historic cases and the matters which the Joint Administrators believe will be most time consuming during the administration process. As such, the estimate is subject to change and may vary depending upon the specific issues of the case as they arise.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above, as well as expenses that we have already incurred, are set out in the estimate of anticipated expenses attached at appendix 3.

What is the anticipated payment for administering the case in full?

The Joint Administrators estimate that the cost of administering the case will be in the region of £X, and consequently they are seeking approval for them to draw their remuneration up to that level. Given the high level of assets that has been estimated to realise, the Joint Administrators see no reason why they will not draw their fees in full.

SIP9 Replicast Limited - Administration - 91RE442 ADM Time Costs Analysis From 01/06/2021 To 08/07/2021

Suit Grade	Case planning	Consultant/Partner	Director	Sr Mgr	Mgr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	N/A	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Administration	6.3			11.1			23.5	6.3	0.3	1.5	49.0	12,217.00	249.33
	Total for General Case Administration and Planning:	6.3			11.1			23.5	6.3	0.3	1.5	49.0	12,217.00	249.33
	Appointment									0.2		0.2	28.00	140.00
	Banking and Bonding	2.6							0.5	1.6		4.7	1,581.00	336.38
Compliance with the Insolvency Act, Rules and best practice	Case Closure													0.00
	Statutory reporting and statement of affairs	5.9			6.3			1.6				13.8	5,374.00	389.42
	Total for Compliance with the Insolvency Act, Rules and best practice:	8.5			6.3			1.6	0.5	1.6		18.7	6,863.00	373.42
	GDCA and investigations	0.7			1.3				1.5			3.5	1,005.00	287.14
Investigations	Total for investigations:	0.7			1.3				1.5			3.5	1,005.00	287.14
	Debt collection	1.9			0.3			0.5				14.4	2,945.00	204.51
	Property, business and asset sales	4.8			1.0			1.8				7.6	3,036.00	399.47
	Retention of Title/Third party assets							0.6				0.8	105.00	175.00
Realisation of assets	Total for Realisation of assets:	6.7			1.3			2.9			11.7	22.6	6,086.00	269.23
	Trading													0.00
	Total for Trading:													0.00
Dealing with all creditors claims (including employees), preference and distributions	Secured													0.00
	Others	2.5	0.2		0.9			13.5	0.5			17.6	4,069.50	231.22
	Creditors committee													0.00
	Total for Dealing with all creditors claims (including employees), preference and distributions:	2.5	0.2		0.9			13.5	0.5			17.6	4,069.50	231.22
Other matters which includes Bankruptcy, investigation, pensions and travel	Seeking decisions of creditors													0.00
	Meetings													0.00
	Other							10.5	11.0			21.5	3,377.50	157.09
	Tax													0.00
Litigation														0.00
	Total for Other matters:							10.5	11.0			21.5	3,377.50	157.09
	Total hours by staff grade:	24.7	0.2	20.9				52.6	19.8	2.1	13.2	132.9		
	Total time cost by staff grade £:	12,226.50	89.00	7,210.50				9,160.00	2,772.00	294.00	2,046.00		33,738.00	
Average hourly rate £:		495.00	445.00	345.00		0.00	0.00	175.00	140.00	140.00	155.00			253.85
	Total fees drawn to date £:												0.00	

REPLICAST LIMITED

THE ADMINISTRATORS' FEES ESTIMATE

Further to their appointment as administrators, the Joint Administrators are seeking to be remunerated on a time costs basis. Details of their firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which they are to be remunerated, they are obliged to produce a fees estimate and to provide it to each creditor of whose details they are aware so that it can be approved at the same time as the basis of their remuneration.

The Joint Administrators fees estimate for the administration is set out below. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	49.00	14,160.00	288.98
Compliance with the Insolvency Act, Rules and best practice	62.00	17,805.00	287.18
Investigations	32.00	9,050.00	282.81
Realisation of assets	206.00	65,590.00	318.40
Trading	0.00	0.00	0.00
Dealing with all creditors' claims (including employees), correspondence and distributions	73.50	23,132.50	314.73
Other matters which include seeking decisions from creditors via Deemed Consent Procedures or Decision Procedures, tax, litigation, pensions and travel	44.00	14,004.50	318.28
Total hours	466.50		
Total time costs		143,462.00	
Overall average hourly rate £			307.53

What is the anticipated payment for administering the case?

The fees estimate indicates that the total time costs for this matter will be £143,462.00. Given the level of anticipated realisations, the Joint Administrators anticipate to draw their fees in full.

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any work that is to be undertaken in any insolvency procedure following the administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>. There is also a case specific explanation in the letter accompanying this fee estimate.

Dated: 08 July 2021

REPLICAST LIMITED

DETAILS OF THE EXPENSES THAT THE ADMINISTRATORS CONSIDER WILL BE, OR ARE LIKELY TO BE INCURRED DURING THE COURSE OF THE ADMINISTRATION

No.	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment, dividends etc.	85.00 plus VAT
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds.	320.00 plus VAT
3.	Insurance	An Insolvency Practitioner is required to ensure that there is sufficient insurance cover over the assets of the insolvent entity. Administration fees may also be charged on the policy.	Initial costs: £2,675.00 plus VAT Monthly costs: £395.00 plus VAT
4.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	388.00 (based on 50 boxes)
5.	Agents sale fees and disbursements	Eddisons Commercial Limited and their anticipated disbursements.	52,500.00 plus VAT (fees) 16,500.00 plus VAT (disbursements)
6.	Rent and Utilities	Monthly payment for rent and utilities in accordance with the licence agreement.	13,000.00 plus VAT (per month)
7.	Postage	Royal mail.	282.55 plus VAT (estimation)
8.	Legal fees and disbursements	The fees of any solicitors and/or barristers instructed to assist the Insolvency Practitioner and their anticipated disbursements.	10,000.00 plus VAT
9.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate.	30.00 plus VAT
10.	Travel	Travel to the Company's trading premises to assist with asset realisations and investigations.	£100.00 plus VAT

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.