

AM03

Notice of administrator's proposals



Companies House

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1 Company details	
Company number	0 2 0 9 9 2 0 1
Company name in full	Brymor Construction Ltd.
→ Filling in this form Please complete in typescript or in bold black capitals.	

2 Administrator's name	
Full forename(s)	Michael John
Surname	Magnay

3 Administrator's address	
Building name/number	Suite 3 Regency House
Street	91 Western Road
Post town	Brighton
County/Region	
Postcode	B N 1 2 N W
Country	

4 Administrator's name ①	
Full forename(s)	Mark Granville
Surname	Firmin
① Other administrator Use this section to tell us about another administrator.	

5 Administrator's address ②	
Building name/number	Suite 3 Regency House
Street	91 Western Road
Post town	Brighton
County/Region	
Postcode	B N 1 2 N W
Country	
② Other administrator Use this section to tell us about another administrator.	

AM03 Notice of Administrator's Proposals

6 Statement of proposals

I attach a copy of the statement of proposals

7 Qualifying report and administrator's statement ¹

I attach a copy of the qualifying report
I attach a statement of disposal

¹ As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8 Sign and date

Administrator's
Signature

Signature

X



X

Signature date

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AM03 Notice of Administrator's Proposals

Presenter information

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

Contact name **James Peavoy**

Company name **Alvarez & Marsal Europe LLP**

Address **Suite 3 Regency House
91 Western Road**

Post town **Brighton**

County/Region

Postcode

B	N	1		2	N	W
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Country

DX

Telephone **+44 (0) 20 7715 5200**

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

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

Further information

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

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BRYMOR CONSTRUCTION LTD. - IN ADMINISTRATION

Joint Administrators' proposals

15 July 2022

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1 Executive summary

Michael Magnay and Mark Firmin of Alvarez & Marsal Europe LLP (“A&M”) were appointed as Joint Administrators (“we”/“our”/“us”) of Brymor Construction Ltd. (the “Company”) on 8 July 2022. Immediately after our appointment a sale of the business and assets of the Company was completed to SHOO997 Ltd. (the “Purchaser”) on 8 July 2022 for initial consideration of £400,000. Further details of the sale can be found at Appendix 5.

On the same day we were also appointed as administrators of Brymor Group Limited (“BGL”), the Company’s parent.

Our primary objective is to achieve a better result for the Company’s creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b). It is envisaged that this will be achieved because the transaction provides the best outcome for the Company’s creditors as a whole, including the transfer of its employees to the Purchaser. Please see further detail about the purpose in Appendix 1.

During the course of the administration we will work with the Purchaser in order to maximise realisation through the collection of deferred consideration relating to debtors, retentions and claims.

A summary of the key matters contained in our proposals is as follows:

- Based on current estimates it is likely that there will be a distribution to the Company’s secured creditor under their fixed charge security (Section 4 – Dividend prospects).
- Based on current estimates it is uncertain whether there will be a dividend to the Company’s preferential creditors (Section 4 – Dividend prospects).
- Based on current estimates it is highly unlikely that there will be a dividend to unsecured creditors (Section 4 – Dividend prospects).
- We intend to seek approval of our proposals by way of deemed approval (Section 6 – Approval of proposals).
- The basis and approval of our remuneration does not form part of our proposals. We will seek approval from the Company’s secured creditors (and preferential creditors if appropriate) in due course that our remuneration will be based on time properly given by us and the various grades of our staff (Section 7 - Joint Administrators’ remuneration, category 2 expenses and pre-administration costs).

This document in its entirety is our statement of proposals. The relevant statutory information is included by way of appendices. Unless stated otherwise, all amounts in these proposals are stated net of VAT.



Michael Magnay
Joint Administrator

2 Background and events leading to the administration

2.1 Background information

The Company was formed on 12 February 1987 and was a 100% owned subsidiary of BGL. BGL and its subsidiaries (the "Group") operated in the construction sector and was based in the South of England.

The Company is the primary trading entity of the Group, contributing nearly all the Group's revenue as at the date of administration and has approximately 110 employees. The Company operates as a main contractor in the construction industry and was working on approximately 13 project sites as at the date of administration.

All other entities within the Group either have historically performed limited trading or are dormant. No other entity within the Group has any employees.

2.2 Funding and financial position of the Group

The Group was primarily funded through an overdraft facility (£3.5 million limit) and a CBILS loan (£2.0 million), both from Santander UK PLC ("the Lender"), with total facility limits of £5.5 million.

The Lender's exposure to the Group as at the date of administration was approximately £2.85 million (before any applicable interest and charges) of which approximately £1.65 million related to direct lending to the Company.

The Lender has fixed and floating charge debentures over the Group, including a fixed and floating charge debenture over the Company. In addition, the Lender has cross guarantees in place over the Group's entities including the Company.

A summary of the Company's recent financial performance is provided below:

Profit & loss account

	YE 31/3/19 Stat accounts £000s	YE 31/3/20 Stat accounts £000s	18m ended 30/9/21 Mgmt. accounts £000s
Turnover	73,457	66,105	120,997
Cost of sales	(65,806)	(60,373)	(116,248)
Gross profit	7,651	5,732	4,749
Admin expenses and interest	(6,515)	(5,899)	(7,938)
Tax	29	363	300
Profit for the financial year	1,165	196	(2,889)

Balance sheet	YE 31/3/19	YE 31/3/20	18m ended
	Stat accounts	Stat accounts	30/9/21
	£000s	£000s	Mgmt. accounts
			£000s
Fixed assets	214	333	134
Current assets	16,633	20,036	16,869
Creditors (falling due in 1 year)	(15,207)	(18,855)	(18,442)
Creditors (falling due after 1 year)	(26)	(65)	-
Provisions	(33)	-	-
Net assets	1,581	1,449	(1,439)

2.3 Events leading to the administration

The Group has historically traded profitably, achieving annual turnover of £82 million (of which the Company contributed £73 million) and net profit of £1.1 million in the year ended 31 March 2019. However, more recently the Group has experienced difficult trading conditions due to the impact of Brexit, Covid-19, and cost inflation in the construction sector.

These recent difficult trading conditions resulted in net losses being generated by the Group since 2020. Despite the losses, the Directors had been able to manage its cashflow to keep the business trading. However, this became increasingly difficult as project delays and deferrals experienced in the second half of 2021 and first half of 2022 resulted in the Group's revenue and margin being materially lower than what was needed to cover its fixed cost base.

The Directors were unable to fully adjust the cost base in response to this, and therefore recent losses were materially adverse to budget and cash outflows were greater than cash inflows in 2022, resulting in an immediate funding requirement.

Given the deteriorating trading performance of the Group, primarily caused by not winning sufficient new business and delays to contract starts, the Directors contacted the Lender in late 2021 to notify the Lender of its forecast financial position. As the Group's financial position worsened in 2022 the Group and the Lender appointed Teneo Financial Advisory Limited ("Teneo") under a dual-stakeholder engagement letter to conduct a financial review of the Group including a Short Term Cashflow review and Options review.

Following Teneo's engagement, and as the Group's financial position continued to decline, A&M were engaged by the Group on 12 May 2022 to provide Restructuring Advisory services and assist the Directors to perform an accelerated mergers & acquisitions ("AMA") process.

Throughout this period, the Group was engaged in ongoing dialogue with Portchester Equity Limited ("Portchester"), with a view to securing a sale of the business to secure its long-term future.

Prior A&M involvement:

In the early phase of our engagement, we assisted the Directors with the provision of financial information to Portchester as part of its ongoing due diligence to acquire the Group's shareholding, as well as assisting the Directors in the preparation of materials required for launching an AMA, as a contingency should the sale of the Group's shareholding to Portchester not conclude.

On 14 June 2022 Portchester submitted an initial solvent offer to acquire the Group's shareholding. Shortly after, during the ongoing due diligence process the Directors brought

to our attention a number of necessary adjustments to historic trading results, which resulted in a materially adverse restatement. On being made aware of these adjustments, Portchester withdrew its offer on 21 June 2022. With no alternative realistic solvent solution, and given the material adverse financial adjustments and forecast funding requirement, the Lender advised the Directors it was only willing to fund critical payments and would not allow its combined facility limits to exceed £3.2m (being its exposure as at 21 June 2022).

The Group was unable to meet ongoing subcontractor and supplier payments. The Directors determined that as a consequence subcontractors and suppliers would stop attending project sites, and therefore ongoing work on project sites would quickly cease. The Group was unable to meet its liabilities as they fell due. Further, there were concerns that safety on sites could become compromised should subcontractors or suppliers attend sites seeking to recover goods.

Following a discussion with its legal advisers, on 22 June 2022 the Directors determined it was necessary to take steps to protect the interests of creditors by filing for administration. On 23 June 2022 a notice of intention to appoint administrators ('NOI') was filed for the Company. The NOI was served on the Lender, in its capacity as qualifying floating charge holder, the same day.

Filing of the NOI was quickly discovered and reported on social media, and therefore, coupled with the fact subcontractors could not be paid, on Friday 24 June 2022 the Directors took the decision to temporarily close all project sites and send home all staff.

On 7 July 2022 a second NOI was filed for BGL and BCL to provide sufficient time to enable a transaction to complete. These were served on the Lender, in its capacity as qualifying floating charge holder, the same day. The Lender agreed to waive its notice under its qualifying floating charge, which enabled the directors to appoint administrators of BCL and BGL on 8 July 2022.

The Company was unable to meet its payroll commitments on 30 June 2022. Accordingly, no employees of the Company have been paid for work undertaken for the period 1 June 2022 to the date of administration.

2.4 Pre-administration work

The Group launched an AMA on 22 June 2022, the day before board resolutions were passed to file a NOI for the Company. As mentioned above, the NOI was filed following the withdrawal of a solvent offer from Portchester to purchase the shareholding of the Group and following this, confirmation from the Lender that it was only willing to fund critical payments and would not allow its combined facility to exceed £3.2 million (being its exposure as at 21 June 2022).

The Group did not commence the AMA prior to this given the sensitivity of ongoing negotiations with Portchester on the solvent offer and the potential for disruption to ongoing trading.

A&M worked with the Group to prepare a list of possible interested parties, covering both trade buyers, and special situations funds with the ability to transact quickly.

During this process 116 parties were directly contacted (64 special situation private equity investors and 52 trade parties). An initial teaser was sent to all interested parties identified. This teaser provided background information on the situation and high-level financial data, along with details of how a party should register its interest.

Of the parties contacted, 8 requested a non-disclosure agreement ("NDA"). Of which, 6 parties returned signed NDAs and were provided access to a virtual data room ("VDR") (4 special situation private equity investors and 2 trade parties).

On 27 June 2022 the business was listed for sale online at BusinessesForSale.com. This generated one lead from interested parties. An NDA was sent to the interested party however, no response was forthcoming.

Given the timescales available, we requested that all potential purchasers which had signed an NDA provided a written offer by 3pm on 29 June 2022.

Portchester (via the Purchaser) was the only interested party to submit an offer for the Company's business and assets and at the same time also made an offer for the business and assets of BGL.

The offer received from the Purchaser was assessed using a number of criteria, including value, certainty of value, timing and deliverability. Following this assessment, we concluded that this offer would return the best outcome for the creditors of the Company whilst saving a significant number of jobs in the process.

The sale of the Company's business and assets to the Purchaser also provides the opportunity for continuity for its customers, all of which may have had significant consequential loss claims against the Company should continuity of service not have been provided.

Given the lack of funding available from key stakeholders, should a sale to the Purchaser not have been achieved then a liquidation of the Company would have been the next most viable option which, would likely restrict asset realisation values.

On 7 July 2022 a second notice of intention to appoint administrators was filed to provide sufficient time to enable a transaction to complete. This was served on the Lender, in its capacity as qualifying floating charge holder, the same day. The Lender agreed to waive its notice which enabled the Directors to appoint administrators of the Company on 8 July 2022.

Once it became clear that a solvent sale of the Group's shareholding was not possible the proposed administrators took steps to pursue interest in the Company's business and assets as this represented best value for creditors as a whole. As well as running the AMA process described above, this included (but was not limited to):

- discussions with the Purchaser, other interested parties, and the Directors of the Company;
- liaising with key stakeholders, including the Lender;
- seeking independent legal and valuation advice on the sale of the Company's business and assets and administration appointment;
- planning and preparing for the administration; and
- dealing with the appointment formalities

Our work allowed us to conclude a sale of the business and assets to the Purchaser which achieved a better outcome for the creditors as a whole, thus achieving the purpose of the administration.

Additional information in respect of A&M's prior engagements with the Group and the AMA process can be found at Appendix 5.

Squire Patton Boggs (UK) LLP ("Squires") assisted with the sales process, drafted the sale and purchase agreement ("SPA"), and assisted with the necessary formalities relating to documenting our appointment.

Quantum Group Limited ("Quantum") provided valuation services in relation to the Company's contracts including debtors, work in progress, retentions and claims values.

SIA Group Asset Ingenuity Limited ("SIA") provided valuation services in relation to the Company's goodwill / intellectual property and its physical assets.

A&M's pre-administration costs were calculated on a time cost basis and are details at section 7.2 below.

At the time of our appointment, we disclosed to the Court details of the work carried out by A&M up to that time.

We are satisfied that the work carried out by A&M before our appointment has not resulted in any relationships which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

2.5 Appointment of Joint Administrators

The Directors resolved on 7 July 2022 to appoint us as Joint Administrators. The notice of appointment was lodged at the High Court of Justice, Business and Property Courts of Birmingham, Insolvency and Companies List (ChD) at 9.58am on 8 July 2022. On that date the Company was placed into administration and our appointment as Joint Administrators became effective.

3 Strategy and progress of the administration to date

3.1 Strategy

As detailed in Appendix 5, due to lack of funding the Company was not in a position to trade in administration. As such, in the absence of a viable offer for the Company on a solvent basis, a sales process was conducted which resulted in the Company's business and assets being sold to SHOO997 immediately upon the Company entering administration.

We concluded that the pre-packaged sale was in the best interests of creditors because:

- it provided the best return for creditors as a whole;
- it preserved value in the Company's goodwill / intellectual property;
- the value obtained for the assets is significantly greater than would have been obtained on a break-up basis (based on independent valuations);
- the Company's employees (c.110) transferred to the Purchaser minimising claims from employees against the Company;
- the Purchaser is intending to novate nine of the 13 live contracts reducing the likelihood of any consequential loss claims made by customers in the administration.

3.1.1 Sale of business

Immediately following our appointment, a pre-packaged sale of the business and assets of the Company was completed to the Purchaser. Further details of this transaction can be found in the SIP 16 Statement in Appendix 5.

The initial consideration paid per the sales agreement is £400,000, broken down as follows:

Initial sales consideration	Fixed charge consideration	Floating charge consideration
	£	£
Goodwill and intellectual property	10,000	-
Debtors and WIP	-	299,997
Retentions	-	1
Claims	-	1
Leasehold interest, stock, licences, software and seller's records	-	5
Motor vehicles	-	24,000
Office furniture and IT equipment	-	65,996
Net assets	10,000	390,000

In addition, the Purchaser will pay deferred consideration of:

- 10% of any debtor amounts collected; and
- 37% of retentions and claims money collected subject to a minimum guaranteed deferred consideration of £100,000 within six months of the transaction date, and a further minimum £100,000 within 12 months of the transaction date.

Monthly reconciliations of debtor, retentions and claim receipts will be provided by the Purchaser which we will review prior to agreeing the deferred consideration amounts.

The Company has also granted the Purchaser a licence to occupy its leasehold premises for a period of up to three months. Per the terms of the licence to occupy, the Purchaser will pay rent at a rate of £8,333 per month during its period of occupation. The Company will then pay these monies to Brymor Group Limited – in administration as landlord of the premises per the terms of a historic rental agreement.

Portchester has advised that it is not deemed to be a connected party to the Group however certain members of the Group's Management team are transferring across to the Purchaser and will be involved in its management going forward. Given this, the Purchaser obtained an independent Evaluator's Qualifying report to support the transaction – this is attached at Appendix 6.

3.2 Asset realisations

There has been no asset realisations to date other than the initial consideration and rent paid by the Purchaser on completion. These monies are currently being held by our legal advisers, Squires. Squires will shortly transfer these funds to an account under our control.

3.2.1 Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

If you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Ruth Turner at Alvarez & Marsal Europe LLP, Suite 3 Regency House, 91 Western Road, Brighton, BN1 2NW.

3.3 Expenses

Expenses are any payments from the estate which are neither the Joint Administrators' remuneration nor a distribution to a creditor or a member. Expenses also include disbursements.

Disbursements are payments which are first met by A&M, and then reimbursed to A&M from the estate. For further detail in relation to our disbursements please refer to our charging policy (Appendix 3).

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

For the avoidance of doubt, expenses are defined in Statement of Insolvency Practice 9 ("SIP 9") as:

- Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval; and
- Category 2 expenses: These are payments to associates or which have an element of shared costs. Before being paid, Category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

3.3.1 Payments

There has been no payments made from the estate to date.

3.3.2 Professional advisers and sub-contractors

Details of advisers and sub-contractors we have engaged or intend to engage are provided below.

Legal advisers

We intend to engage Squires as solicitors to provide advice to us in respect of insolvency and regulatory related matters. They have been selected as they are experienced and well regarded in work of this nature. We intend to engage Squires on a time costs basis.

We intend to engage Aaron & Partners (“AP”) to provide advice on the validity of our appointment as well as providing advice of the validity of the Lender’s security over the Company’s assets.

AP has been selected due to their expertise and knowledge in this area. We believe that engaging AP reflects best value for money for the creditors, given that the validity advice cannot be carried out by Squires given their pre-appointment assistance.

AP will charge their fees on a fixed fee basis.

Sub-contractors - Evolve IS (“Evolve”)

Evolve has been engaged to provide employee support services to the Company on a fixed cost basis. Whilst this work could have been carried out by us and our staff, we concluded that engaging Evolve would be more cost-efficient.

Evolve has been engaged due to their expertise and experience in providing employee support services to companies in insolvency scenarios.

Evolve’s fees are charged on a rate card basis and have been reviewed against other employee support service providers and are considered to be competitive against the market.

Sub-contractors - Clumber Consultancy Limited (“Clumber”)

Clumber has been engaged to provide pension review services to the Company on a fixed cost basis. Whilst this work could have been carried out by us and our staff, we concluded that engaging Clumber would be more cost-efficient.

Clumber has been engaged due to their expertise and experience in providing pension review services to companies in insolvency scenarios.

Clumber’s fees are charged on a rate card basis and have been reviewed against pension review service providers and are considered to be competitive against the market

Agents

Quantum will be engaged by the Company to monitor and advise on the quantum of deferred consideration being paid by the Purchaser.

Quantum has been selected as they are a firm of Chartered Surveyors who are experienced in valuing construction contracts. Quantum’s fees are charged on a time cost basis.

This work will be required as we do not have the expertise to value the construction contracts and the costs of any remedial work required ourselves.

We regularly review costs incurred by our professional advisers and sub-contractors to ensure they are reasonable and in line with estimates provided.

3.4 Ongoing strategy

In addition to the statutory requirements necessary following our appointment, we will continue to realise the Company's assets to maximise returns to creditors. We will also carry out investigative work into the affairs of the Company and complete a review of its financial position in order to potentially realise further assets. We will report to creditors on progress in our future progress reports.

In addition, the key outstanding workstreams include:

- Review the monthly reconciliations provided by the Purchaser in relation to debtors, retentions and claims collections;
- Collect the deferred consideration;
- Collect the licence to occupy fee from the Purchaser and make the corresponding payment to BGL as landlord;
- Manage the tax and VAT affairs of the Company;
- If applicable, adjudicated the Lender's claim against the Company and pay a distribution against their security; and
- If applicable, adjudicate and pay a distribution to the Company's preferential creditors.

4 Dividend prospects

4.1 Secured creditors

The Company had the following registered charges as at the date of appointment:

Date of creation of charge	Date of registration of charge	Details of charge	Name of charge holder
31 January 2014	06 February 2014	Fixed and floating charge	Santander UK PLC
31 January 2014	10 February 2014	Fixed charge	Santander UK PLC

The Lender is the sole secured creditor of the Company and holds a qualifying floating charge over its assets.

We have appointed AP to opine on the Lender's security. We are yet to receive their final opinion; however, we will update creditors in the regard in our first progress report.

We understand that the Lender had indebtedness across the Group totalling approximately £2.85 million (excluding any interest and charges) as at the date of administration.

We are not aware of the Directors providing any personal guarantees to the Lender in relation to their outstanding indebtedness. However, the Company has provided a cross guarantee in relation to the Group's indebtedness.

It is highly unlikely that there will be a return to the secured creditor other than by way of a distribution made against fixed charge asset realisations.

4.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee (2) unlimited accrued holiday pay and (3) certain pension benefits, rank as ordinary preferential claims.

In addition, certain HMRC claims rank as secondary preferential claims.

The amount of preferential claims is currently unknown. However, we do anticipate that HMRC will have a material secondary preferential claim based on historical VAT amounts owing by the Company on appointment.

Based on current estimates, it is uncertain whether there will be a dividend to preferential creditors. Any dividend to preferential creditors will be determined by the quantum of deferred consideration paid by the Purchaser.

4.3 Unsecured creditors

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors as it is uncertain that the total consideration received from the Purchaser (being initial consideration plus deferred consideration) will be sufficient to enable a distribution to be paid to preferential creditors in full.

5 Ending the administration

5.1 Exit from administration

We consider it prudent to retain all the options available to us, as listed below to bring the administration to a conclusion in due course.

However, at this stage we anticipate that the most likely exit route will be dissolution as we currently expect to be able to deal with all outstanding matters within the administration. However, should asset realisations be sufficient to enable a distribution to the Company's unsecured creditors, other than by way of a prescribed part distribution, then the most likely exit route will be a creditors' voluntary liquidation ("CVL"). In this case we propose to seek appointment as Joint Liquidators.

5.1.1 All exit routes

As mentioned above, we consider it prudent to retain all the exit options available to us. We may therefore use any or a combination of the following exit route strategies in order to bring the administration to an end:

- file a notice with the Court and the Registrar of Companies that the purpose of the administration has been sufficiently achieved in relation to the Company;
- apply to Court for the administration order to cease to have effect from a specified time;
- formulate a proposal for either a company voluntary arrangement ("CVA") or a Scheme of Arrangement under Part 26 or Part 26A of the Companies Act 2006, and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;
- place the Company into CVL. In these circumstances we propose that the incumbent administrators at the time of exit from the administration be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by them may be taken by them individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing the incumbent administrators at the time of exit from the administration as proposed Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by them as Joint Liquidators may be taken by them individually or together;
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

5.2 Discharge from liability

We propose to seek approval from the Company's secured (and preferential creditors if appropriate) that we will be discharged from liability in respect of any action as Joint Administrators upon filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

6 Approval of proposals

6.1 Deemed approval of proposals

Our proposals will be deemed approved with no requirement to seek deemed consent or use a decision procedure, as it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors, as detailed in Appendix 1.

On expiry of eight business days from the date our proposals are delivered to the creditors, they will be deemed to have been approved by the creditors unless 10% in value of the creditors request that a decision is sought. Further details of the steps required to request a decision are detailed below.

6.2 Creditors' right to request a decision

We will use a decision procedure or deemed consent to seek approval of our proposals (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company and (2) if the procedures set out below are followed.

Requests for a decision must be made within eight business days of the date on which our proposals were delivered. They must include:

- a statement of the requesting creditors' claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed decision.

In addition, the expenses of the decision procedure at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a decision, this can be done via the Portal. Alternatively, please contact Ruth Turner at rturner@alvarezandmarsal.com or on 0161 504 1700.

7 Joint Administrators' remuneration, category 2 expenses and pre-administration costs

7.1 Approval of the basis of remuneration and category 2 expenses

7.1.1 Basis of remuneration and category 2 expenses

We propose to seek approval from the secured creditors (and preferential creditors if appropriate) that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate (which will be provided prior to seeking such approval) and the charge-out rates included in Appendix 3; and
- category 2 expenses (as defined in SIP 9 and set out in Section 3.3 above) will be paid as expense of the estate, including disbursements paid directly by A&M and charged in accordance with our charging policy as set out in Appendix 3.

Agreement of the basis of our remuneration and the payment of category 2 expenses is subject to specific approval. It is not part of our proposals.

7.1.2 Time costs

As the proposals have been prepared shortly after our appointment we have not yet recorded any time costs in the administration to date. We will provide a summary of our time costs incurred in our next report to creditors.

7.1.3 Additional information

We have attached the charge-out rates for each grade of staff and our charging policy at Appendix 3.

7.2 Pre-administration costs

The following pre-administration costs have been incurred in relation to the pre-administration work detailed in Section 2.4:

Pre-administration costs	Paid (£)	Unpaid (£)	Total (£)
Fees incurred by the Joint Administrators:			
- Engagement acceptance & control	-	4,909	4,909
- Dealing with stakeholders	-	44,071	44,071
- Sale of business	-	194,681	194,681
- Appointment documents	-	4,404	4,404
Total fees incurred by the Joint Administrators	-	248,065	248,065
Joint Administrators' disbursements	-	2,516	2,516
Squires' fees	-	77,819	77,819
Squires' disbursements	-	119	119
Quantum fees	-	2,120	2,120
SIA fees	-	2,500	2,500
Intralinks fees	-	1,375	1,375
Total	-	334,513	334,513

The payment of unpaid pre-administration costs as an expense of the administration is subject to the same approval as our remuneration, as outlined above. It is not part of our proposals.

A&M pre-administration fees

The pre-administration fees relate to the time costs incurred by us and our staff in assisting the Company between the filing of the initial NOI and prior to it entering administration. These include, but are not limited to the following with regard to the sale of the business and assets to the Purchaser and placing the Company into administration:

- Assisting the Directors with an AMA process, including responding to due diligence queries;
- Discussions with interested parties and managing the information flow to potential purchasers;
- Planning the strategy for the sale of the Company's business and assets, including instructing and liaising with professional advisers;
- Seeking legal advice regarding the sale of the business;
- Conducting commercial negotiations with the Purchaser;
- Drafting the SIP 16 memorandum;
- Liaising with and providing updates to the Lender and other stakeholders;
- Planning and preparing for the administration;
- Dealing with appointment formalities; and
- Seeking independent legal advice with regards to the administration appointment.

Squires' pre-administration fees

Legal fees have been incurred by Squires in assisting with the pre-administration work including but not limited to drafting and negotiating the sale and purchase agreement, and the necessary formalities relating to documenting our appointment.

Squires was chosen to assist as they are a well-known and reputable law firm who are experienced in work of this nature. The legal fees listed above have been charged on a time costs basis.

Quantum's pre-administration fees

Quantum has incurred fees in relation to conducting a valuation of the Company's contracts including the debtors, work in progress, retentions and claims values. This included providing a valuation of what would likely be achieved in a shut-down scenario and providing an opinion on whether the offer proposed by the Purchaser should be accepted.

Quantum was chosen as they are a firm of Chartered Surveyors who are experienced in valuing construction contracts. Quantum's fees have been charged on a time cost basis.

SIA's pre-administration fees

SIA has incurred fees in relation to conducting a valuation of the Company's goodwill / intellectual property and its office furniture and equipment. This included providing us with a valuation report of the assets and providing an opinion on whether the offer proposed by the Purchaser should be accepted.

SIA were chosen because it has an excellent reputation and vast experience in this field of work. Fees have been charged by SIA on a fixed fee basis.

Intralinks' pre-administration fees

Intralinks provided a platform for the Company to host a VDR. Intralinks was chosen given its expertise and experience in providing VDR platforms. Fees have been charged by Intralinks on a fixed fee basis.

Appendix 1 – Statutory information

Company information	
Company and trading name	Brymor Construction Ltd.
Date of incorporation	12 February 1987
Company registration number	02099201
Trading address and registered office	Brymor House, Parklands Business Park, Forest Road, Denmead, Hampshire, PO7 6XP
Company Directors	Paul Downing Mark William Dyer Graham Leslie Excell Carmen Louise Morton Jan Barbara Morton Stephen James Morton No shares are held by any of the Company directors
Company Secretary	Graham Excell No shares are held by the Company secretary
Moratorium under Part A1 of the Insolvency Act	No such moratorium has been in force for the Company at any time within the period of two years ending with the day on which it entered administration.

Administration information	
Delivery date of proposals	15 July 2022
Administration appointment	The administration appointment granted in the High Court of Justice, Business and Property Courts of Birmingham, Insolvency and Companies List, CR-2022-BHM-000318
Appointor	The Directors
Date of appointment	8 July 2022
Joint Administrators	Michael Magnay and Mark Firmin
Joint Administrators' contact details	Address: Suite 3, Regency House, 91 Western Road, Brighton BN1 2NW Tel: 0161 504 1700 Email: INS-BRYMCL@alvarezandmarsal.com
Purpose of the administration	Rescuing the Company in accordance with Paragraph 3(1)(a) was not achievable as a solvent sale was not possible. Therefore, our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up, in accordance with Paragraph 3(1)(b). We will achieve this as a sale of the business and assets has resulted in greater realisations and mitigated liabilities compared with a winding up scenario.

Administration information

Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	7 July 2023
Prescribed part	The prescribed part is applicable on this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 4)
Estimated values of the net property and prescribed part	Estimated net property is £nil. Estimated prescribed part is £nil.
Prescribed part distribution	<p>If funds do become available for distribution under the prescribed part, we may make a distribution to the unsecured creditors; or if appropriate may apply to the Court to obtain an order that the prescribed part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits.</p> <p>Alternatively, the prescribed part will be automatically disapplied if the net property is less than £10,000 and the costs of making a distribution would be disproportionate to the benefits.</p> <p>However, if the circumstances of the administration change, we may make a distribution to the unsecured creditors; or if appropriate may apply to the Court to obtain an order that the prescribed part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits.</p>
Insolvency proceedings	COMI proceedings

Appendix 2 – Receipts and payments account

Brymor Construction Ltd.
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 08/07/2022 To 12/07/2022 £	From 08/07/2022 To 12/07/2022 £
REPRESENTED BY	NIL	NIL
		NIL

Please note that our legal advisers, Squires, are currently holding the initial sales consideration totalling £400,000 together with the initial licence to occupy fee. These monies will shortly be transferred to an account under our control.

Appendix 3 – Charging policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT and investigations by A&M in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "Administration: A Guide for Creditors on Insolvency Practitioner Fees" from SIP 9 produced by the Association of Business Recovery Professionals is available via the Portal.

If you are unable to access this guide and would like a copy, please contact Ruth Turner at rturner@alvarezandmarsal.com or on 0161 504 1700.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£/hour) for: Restructuring

Grade	From 8 July 2022
Managing Director	765
Senior Director	710
Director	665
Associate Director	585
Senior Associate	495
Associate	370
Analyst	265
Support	195

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit, the office holders will seek to recover disbursements falling into both category 1 and category 2 expenses from the estate. For the avoidance of doubt, disbursements are defined within SIP 9 as payments which are first met by the office holder, and then reimbursed to the office holder from the estate. These are divided in SIP 9 as follows:

- *Disbursements within category 1 expenses:* These are payments which do not have any element of shared costs and are made to persons who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff.

- *Disbursements within category 2 expenses:* These are payments to associates or which have an element of shared costs. These may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Disbursements within category 2 expenses charged by A&M include mileage at a rate of 45p per mile. When carrying an A&M passenger, no additional cost per passenger will be charged.

We have not incurred any disbursements during the period.

We have the authority to pay disbursements falling within category 1 expenses without the need for any prior approval from the creditors of the Company.

Disbursements falling within category 2 expenses are to be approved in the same manner as our remuneration. It is not currently anticipated that any disbursements falling within category 2 expenses will be incurred during the administration.

Our time cost summary in accordance with SIP 9

As mentioned in section 7, as the proposals have been prepared shortly after our appointment we have not yet recorded any time costs in the administration to date. We will provide a summary of our time costs in accordance with SIP 9 in our next report to creditors.

Appendix 4 – Estimated financial position

A Statement of Affairs will be requested from the Directors as soon as reasonably practicable.

Once received the Statement of Affairs will be filed with the Registrar of Companies. Please note that disclosure of the Statement of Affairs may be restricted with the Court's permission if it is considered that disclosure would be adverse to the interests of the creditors.

As a Statement of Affairs has not yet been requested, details of the estimated financial position of the Company at the latest practicable date, are provided below.

Estimated financial position as at 8 July 2022

£000s	Notes	Book values	Estimated to realise
Fixed charge assets:			
Goodwill and intellectual property	1	-	10
Total fixed charge assets		-	10
Floating charge assets:			
Office equipment	2	42	66
Motor vehicles	3	5	24
Intercompany debtors	4	295	-
Debtors and WIP (inc. claims)	5	8,204	400
Retentions	6	3,916	100
Prepayments	7	254	-
Total floating charge assets		12,716	590
Secured creditors	8		(2,850)
Preferential creditors	9		(2,101)
Unsecured creditors	10		(14,792)
Total creditors			(19,743)
Surplus/(shortfall) to creditors			(19,143)

Note: the book values are based offon the Company's management accounts as at 31 May 2022.

Notes to the estimated financial position:

1. The goodwill and intellectual property reflects the value paid by the Purchaser on appointment. There was no value attributable to goodwill and intellectual property on the Company's balance sheet as at 31 May 2022.
2. Office equipment had a book value of approximately £42,000 as at 31 May 2022. We have realised £66,000 in relation to these items.

3. Motor vehicles had a book value of approximately £5,000 as at 31 May 2022. We have realised £24,000 in relation to these items.
4. Intercompany debtors had a book value of approximately £295,000 as at 31 May 2022. We do not anticipate that there will be any recoveries in this regard.
5. Debtors and WIP (inc claims) had a total book value of approximately £8.2 million as at 31 May 2022. As detailed, the Purchaser acquired these assets for approximately £300,000 day one consideration plus deferred consideration of 10% of all debtor collections, and 37% of all claims collected. We have estimated that we will realise total consideration of £400,000 in this regard being our conservative estimate.
6. Retentions had a total book value of approximately £3.9 million as at 31 May 2022. As detailed the Purchaser acquired retentions for £1 plus deferred consideration of 37% of all retentions collected. We have estimated that we will realise £100,000 in total in this regard being our conservative estimate.
7. The Company had prepayments on its balance sheet totalling approximately £250,000 as at 31 May 2022. We do not believe that any amounts will be recovered in this regard during the administration.
8. We understand that the Lender's indebtedness across the Group totalled approximately £2.85 million (excluding any applicable interest and charges) as at the date of our appointment. The Lender has security in line with the charges listed in Section 4 – Dividend prospects.
9. The Company's balance sheet as at 31 May 2022 indicated that the Company had amounts owing to HMRC in respect of VAT of approximately £2 million. In addition, employees will have preferential claims of up to £800 per employee given salaries were not paid in the period from 1 June 2022 to the date of appointment.
10. Unsecured creditor amounts have been taken from the Company's balance sheet as at 31 May 2022 and total approximately £14.8 million. This amount is made up of amounts which are owing per the creditors ledger (included within the table below) as well as accrued amounts not yet invoiced and subcontractor amounts not yet due for payment. We are not aware that any of the unsecured creditors have security.

A schedule of the known creditors' names, addresses, debts and details of any security held is included below.

Creditors should be aware that as the Company may not have completed updating its ledgers as at the date of appointment, the balances stated may be revised.

The information provided has been extracted from the Company's books and records and we have not carried out anything in the way of an audit on the information. The figures do not take into account the costs of the administration.

The actual level of asset recoveries and claims against the Company might differ materially from the amounts included in the financial information above.

Secured creditor	Address				Claim
Santander UK PLC	2 Triton Square	Regent's Place	London	NW1 3AN	2,850,000
Preferential creditors	Address				Claim
HMRC	VAT Controller	VAT central unit	BX5 5AT		2,013,000
Employee Preferential Creditors	Approximately 110 employee preferential creditors				88,000
Unsecured creditors	Address				Claim
1st Line Defence	Unit 3 Maple Park	Essex Road	Hoddesdon	EN11 0EX	1,140
2Teck Ltd	Leydene House	Waterbury Drive	Waterlooville	PO7 7XX	2,905
3D Personnel Ltd	3rd Floor Enterprise House	Ocean Way	Southampton	SO14 3XB	35,046

4Runner Sport Surfaces	Unit 7	Ramhill Business Park	Coalpit Heath	BS36 2TX	1,913
Advanced Waste Solutions Ltd	35 Black Moor Road	Ebble Industrial Estate	Verwood	BH31 6AT	11,208
Agilico Workplace Technologies (south) Ahmarra Ltd	Cando House Unit 20 Fitzherbert Road	Bournemouth Road Farlington	Chandlers Ford Portsmouth	SO53 3QB PO6 1SB	1,202 991
Alliance disposables Ltd	Alliance House	First Avenue	Globe Park	SL7 1YA	450
Allspeed Signs & Graphics Ltd	Units 4 & 5 Palmerston Bus. Park	Newgate Lane	Fareham	PO14 1DJ	1,881
Amazonbusiness	Amazon Payments Europe S.C.A	Lockbox 293	P O Box 16	S98 1AZ	2,322
A & G Bricklaying Ltd	27 Cotton Close	Broadstone	Dorset	BH18 9AJ	38,854
A1 Powdercoatings Ltd	4&5 Beta Building	Willments Marine Park	Hazel Road	SO19 7HS	7,435
Abbey Scaffolding (swindon) ltd	Units 30 & 31	Whitehill Ind Park	Royal Wootten Bassett	SN4 7DB	5,714
ACS Testing Ltd	Blackhill Road West	Holton Heath Trading Park	Poole	BH16 6LE	985
Adex Drilling Services (UK) Ltd	Unit 2 Beechnut Ind Estate	Beechnut Road	Aldershot	GU12 4JA	199
AEP (Modular Construction) Ltd	Windy Ridge, Houghton Down	Salisbury Road	Stockbridge	SO20 6JR	3,313
All Metal Roofng Ltd	Unit 1 Meridian Business Park	Fleming Road	Waltham Abbey	EN9 3BZ	70,852
All Star Cleaning Services	17 Cerne Close	Townhill Way	West End	SO18 3NG	4,659
Allies and Morrison Architects	85 Southwark Street	London		SE1 0HX	8,746
Anchor Joint Sealing Ltd	Unit 11	Ashfield Trading Estate	Ashfield Road	SP2 7HL	3,490
Apollo Electrical Ltd	Unit 7 Vicarage Farm Business Park	Winchester Road	Fair Oak	SO50 7HD	8,701
APW Servicing Ltd	4 Point East Park Plaza	Cannock		WS12 2DB	678
ARB Mechanical Engineering Ltd	Arb House	Winchester Road	Waltham Chase	SO32 2LL	46,603
Architectural Glazing Solutions Ltd	Southampton Road	Portsmouth	Hants	PO16 9JY	4,622
Arden Contracting Services Ltd	Unit 8 Palmerston Bus Park	Palmerston Way	Fareham	PO14 IDJ	6,404
Armashield Ltd	Innovation House	Marples Way	Havant	PO9 1UH	124
Artisan Plastercraft Ltd	Holmshaw Business Park	Layhams Road	Keston	BR2 6AR	6,067
Aspells Carpentry & Joinery Ltd	Congree Close	Lower Early	Reading	RG6 4XE	8,154
Assa Abloy Entrance Systems Ltd	Washington House	Brooklands Close	Sunbury On Thames	TW16 7EQ	614
Attleys Roofing Ltd	Spital Farm	Grimsbury	Banbury	OX16 8RZ	3,603
A W Jeffreys (Southampton) Ltd	91 - 97 Dukes Road	Bevois Valley	Southampton	SO14 0ST	5,046
Bechtel Direct Ltd	Turnpike House	Metheun Park	Chippenham	SN14 0GF	18,470
Biosite Systems Ltd	Lancaster House	Drayton Road	Shirley	B90 4NG	3,194
Blok 'N' Mesh Global Ltd	Unit 1, Hammond Road	Knowsley Ind. Park	Liverpool	L33 7UL	4,722
Brandon Hire Station	72-75 Feeder Road	St. Philips	Bristol	BS2 0TQ	1,380
Brick Clad Ltd	First Floor 281-283A	Lymington Road	Highcliffe	BH23 5EB	9,124
Bryson Products	Redlands	Couldson	Surrey	CR5 2HT	12,271
B & K Southern Fire Protection Ltd	Parallel House	32 London Road	Guildford	GU1 2AB	13,178
B J Malone Ltd	Hurnbridge Farm	Parley Lane	Bournemouth	BH23 6AD	17,629
B.M. Hepburn Ltd	Unit 3C Southbourne Business Park	Courtlands Road	Eastbourne	BN22 8UY	40,039

Baker Dougan Ltd	Unit 4 Oyster Estate	Jackson Close	Farlington	PO6 1QN	2,689
Barton Knight Contracting Ltd	Unit 3 Howard Buildings	69-71 Burpham Lane	Guildford	GU4 7LX	3,721
BD Nuclear Ltd (John F Hunt Group)	Unit 1 Oyster Estate	Jackson Close	Farlington	PO6 1QN	8,354
Bell Decorating Group	Bell Business Park	Rochsolloch road	Airdrie	ML6 9BG	4,252
Benchmark Scaffolding Ltd	Waterside Trading Centre	Trumpers Way	Hanwell	W7 2QD	17,170
Bluecord Roofing & Cladding Ltd	48 Orcheston Road	Charminster	Bournemouth	BH8 8SR	22,755
Bluestone Design & Construction Ltd	7 Downley Road	Havant	Hampshire	PO9 2NJ	71,535
Bonwyke Ltd	Unit 3 Salterns Lane Ind Est	Salterns Lane	Fareham	PO16 0SU	672
Bourne Flooring & Tile Company Ltd	Unit 7 New Forest Enterprise Centre	Rushington Business Park	Totton	SO40 9LA	23,005
Broadsword Projects Ltd	Unit 13	Westwood Court	Calmore Industrial Estate	SO40 3WX	10,516
Bureau Veritas UK Ltd	Suite 206 Fort Dunlop	Fort Parkway	Birmingham	B24 9FD	10,890
CCS Media Ltd	Old Birdholme House	Derby Road	Chesterfield	S40 2EX	2,118
CF Corporate Finance Ltd	Reading international Business Park	Reading	Berks	RG2 6AA	1,377
Clarke Willmott Llp	1 Georges Square	Bath Street	Bristol	BS1 6BA	1,509
C G Comley & Sons Ltd	Southern Way	Rye Common	Odiham	RG29 1HU	10,342
C Kew Installations Ltd	39-41 Sanders Road	Finedon Road Industrial Estate	Wellingborough	NN8 4NL	4,823
Cahill Welding Services Ltd	5 & 6 The Saw Mills	Middlemarsh	Sherborne	DT9 5QW	8,250
Calcinotto Ltd	Jonsen House 43 Commerial Road	Lower Parkstone	Poole	BH14 0HU	3,594
Calfordseaden Health & Safety Ltd	St Johns House	1A Knoll Rise	Orpington	BR6 0JX	426
Caneparo Associates Ltd	21 Little Portland Street	London		W1W 8BT	5,446
Cape (Electrical & Mechanical) Ltd	89 Albert Road	Romford	Great London	RM1 2PS	3,495
Carlton Civil Engineering Ltd	The Lawns Stockbridge Road	Kings Somborne	Stockbridge	SO20 6PH	14,535
Carrino Access Flooring Ltd	9 Marlborough Rd	Colmworth Business Park	Eaton Socon	PE19 8YP	3,951
Castle Carpentry Contractors	Oak Cottage	Priors Hill Lane	Bursledon	SO31 8FG	11,958
CEI Electrical Ltd	Unit 27	Solent Industrial Estate	Hedge End	SO30 2FY	11,611
Ceramic Specialists Ltd	Unit 6 The Boscombe Centre	Boscombe Down Business Park	Amesbury	SP4 7LL	974
Chamberlain Carpentry and Joinery	10/12 High Street	Bagshot	Surrey	GU19 5AE	5,913
City Lifting Ltd	9 Juliette Way	Purfleet	Essex	RM15 4YD	9,600
Cleaning Operations UK Ltd	Sherendon House	43 Botley Road	Southampton	SO31 1AY	21,769
Cliveden Conservation Workshop Ltd	The Tennis Courts	Cliveden Estate	Taplow	SL6 0JA	5,536
Coastal Drywall Ltd	Monksmead	Farrington	Blandford	DT11 8RA	72,517
Cold Clad Ltd	Sarnia House, Newtown Trading Estate	Green Lane, Tewkesbury	Gloucestershire	GL20 8HD	18,520
Community Resourcing Ltd	222 Bishopsgate	LONDON		EC2M 4QD	1,302
Complete Contract Carpenters Ltd	4 Wight Walk	West Parley	Ferndown	BH22 8QA	1,603
Concrete Flooring Solutions Ltd	Unit 4-6 Endeavour Park	Crow Arch Lane	Ringwood Hampshire	BH24 1SF	1,567
Contrasol Ltd	Unit 15 Warren Park Way	Enderby	Leicester	LE19 4SA	20,180
Cool-Therm UK Ltd	Unit 5 Trubodys Yard	121 London Road	Bridgegate, Bristol	BS30 5NA	9,798

Coventry Scaffolding Co. (London) Ltd	471 Southend Lane	London		SE26 5BT	129,624
Craymar Ltd	7 Cuckoo Lane	Stubbington	Fareham	PO14 3PJ	5,454
Crendon Timber Engineering Ltd	Clue House	Petherton Road	Bristol	BS14 9BZ	1,291
CSW Cladding Ltd	Rownhams House	Rownhams	Southampton	SO16 8LS	-
Cummins Construction Southern Ltd	10 Court Mead	Drayton	Portsmouth	PO6 2LT	62,136
David Cover And Son Ltd	Sussex House	Quarry Lane	Chichester	PO19 8PE	8,400
Dectech Ltd	64 Heath Road	Locks Heath	Southampton	S031 6PJ	2,855
Dennison Doors Ltd	36 Aston Road	Waterlooville	Hampshire	PO7 7XF	4,446
Dryden Carpentry Ltd	1st Floor	The Old Post Office	Hambledon Road	PO7 6NN	111
Eagle House Financial Services	Westmount	Cocking	Midhurst	GU29 0HF	592
Easy Clean Services	The Stone Yard	Alton Lane	Four Marks	GU34 5AJ	20,322
Ebuyer UK Ltd	Rbs Invoice Finance Ltd	PO Box 598	Rotherham	S63 3GP	777
Elliott Brothers Ltd	Millbank	Northam	Southampton	SO14 5AG	1,474
Employee creditors	Approximately 110 employees				Currently unknown
E Williams Landscapes	Suite 16, South Street Centre	Hythe	Southampton	SO45 6EB	27,695
Eclipse Projects Ltd	Haleen, Oatlands Road	Boorley Green	Southampton	SO32 2DE	634
Eco Facades Ltd	1st Floor Venture House	6 Silver Court Watchmead	Welwyn Garden City Hertfordshire	AL7 1LT	45,994
Elliotts Premier Roofing Ltd	Millbank Wharf	Northam	Southampton	SO14 5AG	5,981
Electranet UK Ltd	Units 2 & 3 Lakeside	Headlands Business Park	Salisbury Rd , Ringwood	BH24 3PB	8,671
Elite Fire Protection Service Ltd	Mapledown Farm	Warley Lane	Morestead	SO21 1LF	202
Encompass Surveys Ltd	Unit 2 Talisman Business Centre	Duncan Road	Park Gate, Southampton, Hants	SO31 7DA	1,800
Entric Services Ltd	Victoria Court	64 Victoria Road Mortimer Common	Berkshire	RG7 3SG	17,274
Evolution Electrical Contracting UK Ltd	7 Fortey Roaf	Northleach	Glos	GL54 3HN	1,740
Fawkes & Reece Ltd	Notebeme House	Town Quay	Southampton	SO14 2NT	19,977
F.Bamford (Engineering) Ltd	Ajax Works	Witehill	Stockport	SK4 1NT	1,066
F.C. Brown (Steel Equipment) Ltd	Caswell Way	Reevesland Industrial Estate	Newport	NP19 4PW	1,671
Falcon Tower Crane Services Ltd	Shipdham Airfield Industrial Estate	Shipdham	Thetford Norfolk	IP25 7SD	16,165
Fast Fence Ltd	Unit 9 Greenhey Place	East Gillibrands	Skelmerdale Lancashire	WN8 9SA	14,551
Fastglobe (Mastics) Ltd	Unit 14 Barlow Way	Fairview Ind Park	Rainham Essex	RM13 8BJ	5,602
Felt Roofing Contractors (Avon) Ltd	208 High Street	Hanham	Bristol	BS15 3HJ	8,475
Fire Safe Facade Consulting Ltd	Europa House	Barcroft Street	Bury	BL9 5BT	2,700
FLX Construction Ltd	173 Quayside Road	Southampton		SO13 1DP	10,000
FST Services Ltd	Unit 7 Christchurch Business Park	Radar Way	Christchurch	BH23 4FL	7,776
GEMSEC	Unit 1	Enterprise Trade Centre	Roman Farm Road	BS4 1UN	715
G And E Projects Ltd	11 Fitzherbert Road	Farlington	Portsmouth, Hants	PO6 1RU	60,901
Gartec Ltd	Unit 6 Midshires Business Park	Smeaton Close	Ayelsbury	HP19 8HL	2,092
GCF Ltd	School Lane	Chandlers Ford	Southampton	SO53 4DG	12,420

GFT Frames Ltd	Unit J2 The Fulcrum Centre	6 Vantage Way	Poole Dorset	BH12 4NU	4,879
Gilberts(Blackpool) Ltd	Clifton Road	Marton	Blackpool	FY4 4QT	1,286
Gryffydd John Ringe Architects Ltd	The Studio	7 Yeo Business Park, Axehayes Farm	Clyst St Mary, Exeter, Devon	EX5 1DP	16,800
Greenscape Grounds Maintenance (UK) Ltd	1A Hillborough Crescent	Southsea	Portsmouth	PO5 2AN	5,596
Heras Mobile Fencing & Security	Hérons Way	Carr Hill	Doncaster	DN4 8WA	1,103
Hitachi Capital (UK) PLC	Kiln House	Kiln Road	Newbury	RG14 2NU	919
Hobs Reprographics Plc	178 Old Christchurch Road	Bournemouth	Dorset	BH1 1NU	109
Howden Joinery Co	Caswell House	Gowerton Road	Brackmills	NN4 7BW	56,653
Hag Ltd	1 Oak Lane	Fishponds Trading Estate	Fisponds	BS5 7UY	170
Hamilton Acoustic Solutions	34 Purdeys Industrial Estate	Purdeys Way	Rochford	SS4 1ND	10,642
Hampshire Brickwork	9 Beech Close	Overton	Hampshire	RG25 3JN	260
Hampshire Demolition & Recycling Ltd	662 Cygnet Court	Timothy's bridge Road	Stratford Upon Avon	CV37 9NW	20,178
Harrison Industrial Ltd	Rodney Road	Fratton Ind. Est.	Portsmouth	PO4 8SY	19,964
Hi-Tec Welding & Fabrication Services Lt	23 Whittle Road	Ferndown Industrial Estate	Wimborne	BH21 7RP	4,568
Hideaway Media Ltd	The Malthouse	Malthouse Road	Alton	ST10 4AG	480
Hillier Landscapes	The Dell	North Common, Sherfield English	Romsey	SO51 6JT	12,694
HM Reading Ltd	Unit 10, Amners Farm Road	Burghfield, Reading	Berkshire	RG30 3UE	10,556
HM Revenue & Customs	Enforcement and Insolvency Service	Durrington Bridge House	Barrington Road	BN12 4SE	-
Inndex Ltd	Hafod Wen	Llanddona	Beaumaris	LL58 8UU	768
Isl Office Solutions	Unit 7 Claylands Park	Claylands Road	Bishops Waltham	SO32 1BH	2,132
Ian Williams Ltd	Quarry Road	Chipping Sodbury		BS37 6JL	10,611
Ideal Interiors Southern Ltd	Unit 26 Downton Business Centre	Batten Road Downton	Salisbury Wiltshire	SP5 3HU	20,188
Insulated Construction Group Ltd	S & W House	Longhill Road	Cambridgeshire	PE15 0BL	1,888
Inventiv Roofing Solutions Ltd	22 Branksome Business Park	Bourne Valley Road	Poole	BH12 1DW	18,168
Jewson Ltd.	1st Floor Greesham House	Gresham Road	Staines	TW18 2BE	1,508
J & L Services Ltd	58 Kinson Road	Bournemouth	Dorset	BH10 4AN	2,507
J Mould Reading	Hydcrete Pit	Pingewood Road North	Burfield Bridge	RG30 3XN	7,518
James Liston Building Services Ltd	2nd Floor, Unit 3 Surety House	Old Redbridge Road	Southampton	SO15 0NE	5,299
Jarott Contracting Ltd	34 Middle Street	Southsea		PO5 4BP	76,672
Jeremy Gardner Associates Ltd	5 Fleet Place	London		EC4M 7RD	5,400
JTL Fire Ltd	24 Cove Road	Farnborough	Hants	GU14 0EN	2,440
Keyhole Design Ltd	19 Cobham Road	Ferndown Industrial Estate	Ferndown	BH21 7PE	4,497
K C Carpets And Flooring Ltd	7 Didcot Road	Nuttfield Industrial Estate	Poole	BH17 0GD	23,833
K & D Polishing Ltd	9 Thornbury Way	London		E17 5FS	19,650
Kentile Ltd	Unit G Taylor Business Park	Risley	Warrington	WA3 6BL	6,862
Kennet Construction Ltd	Enfield Works	Upper Westwood	Bradford on Avon	BA15 2DH	14,163
Kieron Beattie Landscaping Ltd	Units A & B Motley Hill	Weyhill Road	Andover, Hants	SP11 0PP	962

Knight Fencing Ltd	The Ferry Yard	Chichester Road	Selsey	PO20 9ED	1,820
KSD Decorating Services Ltd	Wilverley Lodge	Wilverley	New Milton	BH25 5TZ	3,144
Lex Autolease Ltd	Heathside Park	Heathside Park Road	Stockport	SK3 0RB	2,519
Latchmore Roofing	10 Lovedean Lane	Hordean	Hampshire	PO8 8HH	1,566
Labetts Ltd	Inspiration Place 1 - 4 Mitchell Road	Fernside Park Wimborne	Dorset	BH21 7SG	281
Land Products (Wessex) Ltd	Keepers Lane	Staplehill Road	Wimborne Dorset	BH21 7NE	1,000
Lanes Group Plc	17 Parkside Lane	Parkside Industrial Estate		LS11 5TD	195
Lawton Building Engineering Services Ltd	Unit 10 The Glenmore Centre	Grove Business Park	Wantage	OX12 9GN	77,258
Liddiard Scaffolding Ltd	Yard Area K Upper Adhurst Ind Park	London Road	Petersfield	GU31 5AE	94,440
Liftec Lifts Ltd	Unit 7 Orbital One	Green Street Green Road	Dartford Kent	DA1 1QG	65,471
Lockmetal Ltd	Westgate House	Verulam Road	Stafford	ST16 3EA	7,629
M J Church Plant Ltd	Star Farm	Marshfield	Chippenham	SN14 8LH	1,754
Medhurst Communications Ltd	17 Brunel Way	Segensworth East	Fareham	PO15 5TX	4,647
Mobile Mini Uk Ltd	28 Falcon Court	Preston Farm Business Park	Stockton On Tees	TS18 3TX	1,669
M.J. Abbott Ltd	Bratch Lane	Dinton	Salisbury	SP3 5EB	92,273
McLoughlin Groundwork & New Homes Ltd	Unit E	Linsford Business Centre	Linsford, Mytchett, Surrey	GU16 6DJ	43,522
MCM Architecture Ltd	180 Borough High Street	London		SE1 1LB	5,112
Metro Rod Ltd	Ashwood Court Springwood Way	Tytherington Business Park	Macclesfield Cheshire	SK10 2XF	1,344
MGD Specialist Interior Finishes	1 Timberlaine Estate	Gravel Lane, Quarry Lane	Chichester	PO19 8PP	421
More Carpentry Ltd	102 Cowley Close	Southampton		SO16 9WE	26,234
M R Electrical Services Ltd	Unit 1.2 Central Point	Kirpal Road	Portsmouth	PO3 6FH	399
MRH Scaffolding Ltd	460 Butts Road	Southampton	Hants	SO19 1DD	4,000
MSafe Technologies Ltd	Athena House	612 - 616 Wimborne Road	Bournemouth	BH9 2EN	2,169
Munster Joinery (UK) Ltd	Dene Park	Stratford Road	Wellesbourne	CV35 9RY	126
Northridge Finance	NIIB Group Ltd	1 Donegall Square South	1 Donegall Square South	BT1 5LR	8,061
NA Curtain Walling Ltd	21 Enterprise Road	Hordean	Waterlooville	PO8 0BT	26,643
Nassau Industrial Doors Ltd	Jubilee House	Dewsbury Road Fenton Industrial Estate	Stoke On Trent	ST4 2TE	302
Nationwide Louvre Company(NL Contracts) O & O Electrical	Units 5 - 7 Beacon Trading Estate 23 Bankside	Middlemore Lane Kidlington	Aldridge Walsall West Midlands Oxon	WS9 8DU OX5 1JE	609 53,954
Ocmis Ltd	Higher Burrow	Kingsbury Episcopi	Martock Somerset	TA12 6BU	20,656
Pdc - Using This Acc	9 Kingscroft Court	Marples Way	Havant	PO9 1LS	37
Pickerings Hire Ltd	Ashby Road	Measham	Swadlincote	DE12 7JW	12,749
Portsmouth Audi - Harwoods	Bilton Way	Eastern Road	Portsmouth	PO3 5FH	82
Procure Technologies Inc.	6309 Carpinteria Ave	Carpinteria	United States	CA 93013	55
Protec International Ltd	Construction House.	Adlington Ind. Estate	Adlington	SK10 4NL	1,117
P C Flooring Ltd	31 Kennington Road	Nuffield Ind Estate	Poole	BH17 0GF	9,981
PD Industrial Ltd	Unit 2 Calibre Industrial Park	Laches Close	Four Ashes	WV10 7DZ	- 395

Pearl Fitout Ltd	Unit A & B Highgrove Industrial Park	Quartremain Road	Portsmouth	PO3 5QQ	3,495
Phillips Decorators Ltd	6A Marshlands Road	Farlington	Portsmouth	PO6 1ST	2,344
Pica Flooring Ltd	Unit 6 M11 Business Link	Parsonage Lane	Stansted Essex	CM24 8GF	244
Plastic Surgeon Ltd	Blue Waters House	Pottery Road	Borey Tracy	TQ13 9DS	1,500
Pools by Design Ltd	Office 2A 4 Tannery House	Tannery Lane	Send Surrey	GU23 7EF	25,738
PP Construction Ltd	Deepwater	Part Lane	Swallowfield Berks	RG7 1TB	7,226
Premier Recruitment Solutions Ltd	56A London Road	Southampton		SO15 2AH	67,446
Prime Demolitions Ltd	17 - 19 Mannings Heath Road	Poole	Dorset	BH12 4NQ	19,332
Pro-Dec Decorating South Ltd	56 Wain -A-Lony Road	Salisbury	Wiltshire	SP1 1LW	2,648
Qube Catering Equipment Ltd	Cranes Point, Gardiners Lane sout	Basildon	Essex	SS14 3AP	2,056
Queens Park Brickwork Ltd	14 Ashling Crescent	Queens Park	Bournemouth, Dorset	BH8 9JB	17,564
Restore Records Management	unit 5 Redhill Distribution Centre	Salbrook Road	Redhill	RH1 5DY	162
RT Machinery Ltd	Brackwell Farm Estate	Winchendon Road	Aylesbury	HP18 0DS	708
R J Lift Services Ltd	Unit 1 Galvston Grove	Oldfield Business Park	Fenton, Stoke-on-Trent	ST4 3PE	220
R M Fabrications Ltd	Units 1-4 Ashley Heath Ind Estate	Three Legged Cross	Wimborne Dorset	BH21 6UZ	26,940
Randstad CPE Ltd	450 Capability Green	Luton		LU1 3LU	39,819
Reavey & Son LLP	Unit 21 Mitchell Point	Ensign Way	Hamble	SO31 4RF	7,592
Redline Presentation Solutions Ltd	3 Merrywood Park	Camberley	Surrey	GU15 1JR	840
Reuby & Stagg Ltd	Dewey House 55 High Street	Ringwood	Hants	BH24 1AE	18,000
Rigfone Electrics Ltd	109-111 Bitterne Road		Southampton	SO18 1AR	933
Roberts Brothers Construction Ltd	Armour House	66 Amour Road	Tilehurst	RG31 6HF	283
Rogers and Russell Contracting Ltd	61 High Street	Cam	Gloucestershire	GL11 5LD	768
Rokill Ltd	Rossland House	Healands Business Park	Salisbury Road	BH24 3PB	1,531
Roofconsult Ltd	4 Cottage Close	Denmead	Hampshire	PO7 6YH	360
Roofing Cladding & Building Ltd	Milner House	100 Redbridge Road, Redbridge	Southampton	SO15 0LU	27,931
Roofline Southern Ltd	Euro House	Aston Road	Waterlooville	PO7 7XE	3,759
Roofline Group Ltd	Euro House	Aston Road	Waterlooville	PO7 7XE	1,848
Roweaver Developments Ltd	Prospect House	Ainsdale Drive Harlescott	Shrewsbury	SY1 3TL	2,950
Southern Fire Protection	Unit 20	Challenge Enterprise Centre	Portsmouth	PO3 5RJ	489
Safeaid Ltd	16, Arnside Road	Waterlooville	Hampshire	PO7 7UP	566
Siderise InsulationLtd	Forge Industrial Estate	Maesteg	Bridgend	F34 0AY	20,613
Speedy Asset Services Ltd(Mats)	Chase House	16 The Parks	Newton-Le-Willows	WA12 0JQ	4,449
Storage on Site Ltd	Imperial House	24 Botley Road	Southampton	SO30 2HE	3,214
Strukta (Salisbury)	36 Walworth Road	Walworth Ind. Estate	Andover	SP10 5LH	18,473
Salisbury Glass Centre Ltd	Newton Road	Churchfields Industrial Estate	Salisbury	SP2 7QA	107,143
Salnor Roofing Services Ltd	Unit 6 Old Aylesfield Buildings	Froyle Road	Alton	GU34 4BY	6,564
Salus (Building Control & Fire Safety Co	Primea House	Marina Court	Maple Drive	LE10 3BF	7,170

SCA Group Ltd	7 Crane Way	Woolsbridge Industrial Park	Three Legged Cross	BH21 6FA	180,386
Sceptre Networking Ltd	Unit 16, Canvin Court	Canvin Court	Somerton Business Park	TA11 6SB	27,744
Schindler Ltd	St Georges Business Park	205 Brooklands Road	Weybridge	KT13 0BG	2,543
Scott White and Hookins	Harman House	Andover Road	Winchester	SO23 7BS	4,428
SDS O&M Ltd	156 Old Milton Road	New Milton	Hampshire	BH25 6EB	3,980
Sealtite Windows Ltd	16-18 Kennet Road	Dartford	Kent	DA1 4QN	4,914
SFK Consulting Ltd	Unit 26 Basepoint Enterprise Centre	Andersons Road	Southampton	SO14 5FE	3,120
Signs Express (Southampton)	Unit 38 City Industrial Park	Southern Road	Southampton	SO15 1HA	126
Socotec Asbestos Ltd	Socotec House	Ashby Road	Bretby Business Park	DE15 0YZ	1,176
Soils Ltd	Newton House	Cross Road	Tadworth	KT20 5SR	6,181
Solas Realta Ltd	37/39 Southgate Street		Winchester	SO23 9EH	5,310
Southern Industrial Roofing Ltd	Charlton House	16 Limberline Road	Hilsea	PO3 5JF	15,151
Specialized Fabrications Ltd	4b Heritage Business Park	Heritage Way	Gosport	PO12 4BG	34,592
Spring Cleaners	The Nook	Lordswood	Highbridge	SO50 6HR	740
Square 1 Architectural Solutions Ltd	Unit 3 Sarisbury Buildings	172 Bridge Road	Sarisbury Green	SO31 7EH	18,421
SRE Ltd	Greenforde Farm	Stoner Hill Road	Froxfield	GU32 1DY	1,920
SSH Cleaning Ltd	2.2 Central Point	Kirpal Rd	Portsmouth	PO3 6FH	4,344
Southern Hoist Services	Unit A Culverlands Corner	Winchester Road	Shedfield	SO32 2JF	7,783
Stride Treglown Ltd	Promenade House	The Promenade Clifton Down	Bristol	BS8 3NE	34,305
Studio Four Architects Ltd	Stanbridge Earls	Romsey	Hants	SO51 0HE	24,889
Sucina Ltd	Unit 3 Quayside ommerce Centre	Lower Quay	Fareham	PO16 0XR	18,865
Trade Uk	Time Retail Finance Bus. Desk	Selectapost 28	Sheffield	S97 3GE	276
Travis Perkins Trading Co Ltd	Head Office, Sales Ldgr Dept.	P O Box 5227	Northampton	NN5 7ZE	11,099
Taurus Waste Recycling Ltd	Broadcut	Wallington	Fareham	PO16 8ST	6,110
The Quorum Partnership / QP Architecture	25a High Street	Christchurch	Dorset	BH23 1AB	10,800
The Symphony Group Plc	Pen Hill Estate	Park Spring Road	Barnsley	S72 7EX	30,000
T & K Electricals Ltd	Unit 5 Chantry Park	Cowley Road	Nuffield Industrial Estate	BH17 0UJ	141,885
T A Colbourne Projects Ltd	Unit A The Outlook	Ling Road	Poole	BH12 4PY	53,288
Tailored Decorating Group Ltd	Trafalgar House	Gatcombe House	Copnor Road	PO3 5EJ	6,909
TCS Screeding Ltd	Unit 1 Whiffens Farm	Clement Street	Kent	BR8 7PQ	2,976
Tema Protective Coating Ltd	Coleridge Road	Leckwith Industrial Estate	Cardiff	CF11 8BT	1,907
The Standard Patent Glazing Company Ltd	Flagship House	Forge Lane	Dewsbury	WF12 9EL	28,035
Thistle Masonry Ltd	Seafarers Court	12-14 Queens Terrace		SO14 3SG	312
Total Laminate Systems Ltd	11 Nimrod Way	East Dorset Trade Park	Wimborne	BH21 7SH	316
Trident Construction Solutions Ltd	Dainton Complex	Torre Station Yard	Torquay	TQ2 5DD	3,098
Ventrolla South East (Sash Window Solut	Unit 10 Newtown Road	Henley on Thames	Oxon	RG9 1HG	779
Veranti Ltd	Unit 22 Arnside Road	Waterlooville	Hampshire	PO7 7UP	137,396

Vespasian Security Ltd	Building1000	Lakeside North Harbour	Western Road	PO6 3RZ	2,973
Vitec Ceilings & Partitions Ltd	39 Haviland Road	Ferndown Industrial Estate	Wimbourne Dorset	BH21 7SA	2,626
Wernick Hire Ltd	Molineux House	Russell Gardens	Wickford	SS11 8BL	26
Wilson Hutton Associates	The Old Barn	1f Poole Road	Wimborne	BH21 1QA	704
Winchester City Council	Cashiers Section	City Offices	Colebrook Street	SO23 9LJ	47,104
Warren Commercial Fencing Ltd	34 Dayshes Close	Gosport	Hants	PO13 0SL	3,186
Waterman Structures Ltd	Pickfords Wharf	1 Clink Street	London	SE1 9DG	10,920
Weldrite Structures Ltd	Construction House	Allens Lane	Poole	BH16 5DG	19,070
Wessex Demolition & Salvage Ltd	Unit 1 Fort Fareham Industrial Estate		Fareham	PO14 1AH	27,300
Wessex Lifting Services Ltd	Marlene's Yard	Harp Road	Mark	TA9 4QL	600
White Horse Electrical Ltd	Unit 51 Shrivenham Hundred Business Park	Majors Road, Watchfield	Swindon	SN6 8TY	7,815
Wingate Electrical Plc	Wingate House	Rutherford Road	Basingstoke	RG24 8QD	13,097
Woodmace Ltd	21-23 Willis Way	Willis Way Ind Estate	Poole	BH15 3SS	2,339
					3,638,189

Appendix 5 – SIP 16 statement

**BRYMOR GROUP LIMITED – IN ADMINISTRATION &
BRYMOR CONSTRUCTION LIMITED – IN ADMINISTRATION**

SIP 16 Statement of sale of business

14 July 2022

1 Introduction

We have made this statement, as Joint Administrators, in order to comply with our responsibilities under Statement of Insolvency Practice 16 (“SIP 16”).

The Statements of Insolvency Practice are a series of guidance notes issued to licenced insolvency practitioners with a view to maintaining standards by setting out required practice and harmonising practitioners’ approach to particular aspects of insolvency.

SIP 16 covers arrangements where the sale of all or part of a company’s business and assets is negotiated with a purchaser prior to the appointment of an administrator, who then affects the sale immediately or shortly after, their appointment.

A SIP 16 guidance note is available on the Portal and can also be accessed via this link to the R3 website:

<https://www.r3.org.uk/technical-library/england-wales/sips/more/29131/page/1/sip-16-pre-packaged-sales-in-administrations/>

Creditors should be aware of the differing roles of insolvency practitioners associated with an administration which involves a pre-packaged sale of a company’s business and assets.

Prior to the formal appointment, the insolvency practitioners’ firm may have been instructed by the company and/or a secured creditor to provide advice. It is important to note that during this stage they act independently of the company’s management, who remain responsible for the affairs of the company.

Such advice may include consideration of the potential options available to the company, including insolvency options and may also involve advice in relation to management’s fiduciary duties and obligations when a pre-packaged sale is contemplated. Please note that it does not include providing advice to a potential purchaser. The directors and the purchasers were encouraged to obtain independent advice.

Specific details of the pre-appointment role for this case are provided in Section 4 below.

Following the appointment of the insolvency practitioners as Joint Administrators of the company, they are officers of the court and act as agents of the company in order to manage the company’s affairs, business and property for the benefit of the creditors as a whole.

2 Pre-packaged sale of the business and assets of BGL and BCL

On 8 July 2022, Michael Magnay and Mark Firmin of Alvarez & Marsal Europe LLP (“A&M”) were appointed as Joint Administrators of Brymor Group Limited (“BGL”) and Brymor Construction Limited (“BCL”). Immediately following our appointment, a sale of certain of the business and assets of BGL was completed to SHOO996 Limited (“SHOO996”) and a sale of certain of the business and assets of BCL was completed to SHOO997 Ltd (“SHOO997”).

SHOO996 and SHOO997 (together the “Purchasers”) are newly incorporated entities which are owned and funded by Portchester Equity Limited (“Portchester”).

The sale of the business and assets of BGL and BCL to the Purchasers happened contemporaneously and were intrinsically linked. Portchester advised that it was a requirement that both the sale from BGL to SHOO996 and the sale from BCL to SHOO997 occurred simultaneously and it would not complete on

either transaction without the other. Given the connected nature of the transactions we are preparing one SIP16 statement to cover both transactions.

The following consideration is to be paid by SHOO996 to acquire the business and assets of BGL:

- Freehold properties: £1.75 million

Please note that exchange of the freehold properties occurred as part of the transaction with completion to be achieved following the finalisation of satisfactory property searches by SHOO996. The consideration of £1.75m will be paid on completion. In the interim period, BCL (as leaseholder) has granted SHOO997 an excluded lease. Per the terms of the excluded lease, SHOO997 will pay rent at a rate of £8,333 per month during its period of occupation.

The following consideration was paid by SHOO997 to acquire the business and assets of BCL:

- Debtors and WIP: £299,997 initial cash consideration, plus 10% of all debtor realisations collected by SHOO997;
- Retentions and Claims: £2 plus 37% of all retentions and claims (after reasonable external costs) collected by SHOO997, subject to a guaranteed minimum consideration of £100,000 after six months and a further £100,000 after 12 months;
- Office furniture and equipment: £65,996 cash consideration;
- Motor vehicles: £24,000 cash consideration;
- Leasehold interest, stock, licences, software and the seller's records: £5 cash consideration; and
- Goodwill and intellectual property: £10,000 cash consideration.

In accordance with SIP 16, a detailed explanation of the transaction is set out below in section 9.

3 Initial introduction

Shoosmiths LLP ("Shoosmiths") act as legal adviser to Portchester, which has been exploring the opportunity to acquire the shareholding of BGL and its subsidiaries ("the Group") for a number of months. Given the recent financial performance, Portchester concluded the Group would benefit from engaging restructuring support. Shoosmiths introduced A&M to the opportunity in March 2022, and BGL and BCL subsequently engaged A&M in May 2022, following a series of discussions with the Board and Santander UK Plc, the Group's lender ("the Lender").

A&M has not advised Portchester on this transaction, nor has it had any previous engagement with Portchester.

4 Pre-appointment considerations

Overview:

The Group is based in the South of England and operate in the construction sector.

BGL owns two freehold properties which are rented to BCL and used as its head office. BGL has no employees.

BCL is the primary trading entity of the Group contributing nearly all the Group's revenue and has approximately 110 employees as at June 2022. BCL operates as a main contractor in the construction industry and is currently working on approximately 13 project sites across the South of England. Management advise that as a main contractor, BCL is responsible for providing access to, securing and insuring each project site.

All other entities within the Group either have historically performed limited trading or are dormant. No other entity within the Group has any employees.

The Group was founded over 35 years ago and has grown organically, achieving annual turnover of £82 million and net profit of £1.1 million in the year ended 31 March 2019. More recently the Group has experienced difficult trading conditions due to the impact of Brexit, Covid-19, and cost inflation in the construction sector.

Recent trading performance:

These recent difficult trading conditions resulted in net losses being generated by the Group since 2020. Despite the losses, Management had been able to manage its cashflow to keep the business trading. However, this became increasingly difficult as project delays and deferrals experienced in the second half of 2021 and first half of 2022 resulted in the Group's revenue and margin being materially lower than what was needed to cover its fixed cost base.

Management was unable to fully adjust the cost base in response to this, and therefore recent losses were materially adverse to budget and cash outflows were greater than cash inflows in 2022, resulting in an immediate funding requirement.

The Group's funding position:

The Lender provided an overdraft (£3.5 million limit) and CBILS loan (£2.0 million) to the Group with total facility limits of £5.5 million. The Lender has fixed and floating charges over the assets of the Group entities as security against its lending with cross guarantees in place over Group entities including BCL and BGL.

Given the deteriorating trading performance of the Group, primarily caused by not winning sufficient new business and delays to contract starts, its Management team contacted the Lender in late 2021 to notify the bank of its forecast financial position. As the Group's financial position worsened in 2022 the Group and the Lender appointed Teneo Financial Advisory Limited ("Teneo") under a dual-stakeholder engagement letter to conduct a financial review of the Group including a Short Term Cashflow review and Options review.

Following Teneo's engagement, and as the Group's financial position continued to decline, A&M were engaged by the Group on 12 May 2022 to provide Restructuring Advisory services to the Group and assist its Management team to perform an accelerated sale process ("AMA").

Throughout this period, the Group was engaged in ongoing dialogue with Portchester, with a view to securing a sale of the business to secure its long-term future.

Prior A&M involvement:

In the early phase of our engagement, we assisted Management with the provision of financial information to Portchester as part of its ongoing due diligence to acquire the Group's shareholding, as well as assisting Management in the preparation of materials required for launching an AMA, as a contingency should the sale of the Group's shareholding to Portchester not conclude.

On 14 June 2022 Portchester submitted an initial solvent offer to acquire the Group's shareholding. Shortly after, during the ongoing due diligence process Management brought to our attention a number of necessary adjustments to historic trading results, which resulted in a materially adverse restatement. On being made aware of these adjustments, Portchester withdrew its offer on 21 June 2022. With no alternative realistic solvent solution, and given the material adverse financial adjustments and forecast funding requirement, the Lender advised Management it was only willing to fund critical payments and would not allow its combined facilities to exceed £3.2m (being its exposure as at 21 June 2022).

The Group was unable to meet ongoing subcontractor and supplier payments. Management determined that as a consequence subcontractors and suppliers would stop attending project sites, and therefore ongoing work on project sites would quickly cease. The Group was unable to meet its liabilities as they fell due. Further, there were concerns that safety on sites could become compromised should subcontractors or suppliers attend sites seeking to recover goods.

Following a discussion with its legal advisers, on 22 June 2022 Management determined it was necessary to take steps to protect the interests of creditors by filing for administration. On 23 June 2022 a notice of intention to appoint administrators ('NOI') was filed for BGL and BCL. The NOIs were served on the Lender, in its capacity as qualifying floating charge holder, the same day.

Filing of the NOIs was quickly discovered and reported on social media, and therefore, coupled with the fact subcontractors could not be paid, on Friday 24 June 2022 Management took the decision to temporarily close all project sites and send home all staff.

On 7 July 2022 a second notice of intention to appoint administrators was filed for BGL and BCL to provide sufficient time to enable a transaction to complete. These were served on the Lender, in its capacity as qualifying floating charge holder, the same day. The Lender agreed to waive its notice under its qualifying floating charge, which enabled the directors to appoint administrators of BCL and BGL on 8 July 2022.

BCL was unable to meet its payroll commitments on 30 June 2022. Accordingly, no employees of BCL have been paid for work undertaken for the period 1 June 2022 to the date of administration.

Accelerated sales process:

Following withdrawal of the solvent Portchester offer, and with no alternative realistic solvent solution, the Group launched an AMA on 22 June 2022. The AMA was not launched prior to this date given the sensitivity of ongoing negotiations with Portchester to acquire the Group's shareholding, and the potential for disruption to ongoing trading. Details of the AMA are outlined in Section 6 below.

Alternative options considered by the Company and the Joint Administrators:

As part of the work carried out prior to our appointment as Joint Administrators the following options were explored by the Company and/or the proposed Joint Administrators:

- ***Do nothing and continue to trade:*** The Group was generating significant trading losses, and was forecasting an imminent funding requirement. As such it was unable to pay its creditors as they fell due. The Group had significant creditor pressure, and was unable to meet its June payroll costs. Doing nothing and continuing to trade was not viable.
- ***Raise additional finance:*** Alternative sources of additional financing were considered, but none were deemed viable given the worsening financial position of the Group and the fact that the Lender's lending was already in excess of asset valuations. As such there was no additional capacity within the asset base upon which to secure additional funding, and given the perilous financial position there was also limited time available to secure such funding.
- ***Sale of the shareholding of the Group:*** The Group had considered a sale of its shareholding for a number of years, most recently to Portchester. However, following a period of extensive due diligence and given the Group's worsening financial position, on 21 June 2022 Portchester advised Management it was withdrawing its interest in acquiring the Group's shareholding. No other solvent interest was expressed in the business. Following the adjustments to historic trading results discussed earlier, net liabilities of £6.0m as at March 2022 rendered a solvent sale of the Group's shareholding highly unlikely, particularly as sites were temporarily closed and employees were sent home without being paid for June.

- **Continue running an accelerated sale process in administration (whilst keeping sites mothballed):** Continuing to run a sale process in administration would incur costs on behalf of the insolvent Group, which would require funding to discharge. With inherently uncertain asset realisations given the nature of the business, the proposed Joint Administrators requested a commitment of funding from the Lender, and from the Group's shareholders.

The Lender confirmed it was not willing to underwrite the costs of an administration as it was unlikely to receive any material financial benefit from the administration process (beyond recoveries under its fixed charge over the property).

The shareholders confirmed they were unwilling to underwrite the costs of an administration as they were unlikely to receive any financial benefit from the administration process.

Further, with the project sites temporarily closed and therefore the business effectively having ceased to trade, any delay in securing a buyer was likely to result in customers terminating contracts and seeking alternative contractors to complete the projects. Value in the Group's assets would quickly dissipate.

- **Trading administration whilst continuing an accelerated sales process:** As noted above, trading in administration was not possible due to a lack of funding, and given the business had effectively ceased to trade prior to administration, with significant subcontractor arrears presenting a hurdle to restarting trading.
- **Company Voluntary Arrangement ("CVA"):** With the business having effectively ceased to trade, and with an immediate funding requirement, there was insufficient time to explore a CVA. Further, the Group's forecasts indicated a sustained period of continued losses and cash requirement, meaning a CVA was highly unlikely to be supported by creditors.
- **Creditors' voluntary liquidation:** Independent quantity surveyors advised that should continuity of service not be provided to BCL's customers, asset realisations would likely be severely impacted, in particular realisations from debtors, retentions and WIP. It would be expected customers may withhold payments owing to BCL for work performed to date and use these funds to offset the additional costs of engaging third parties to complete the ongoing projects, or to mitigate the impact of lost warranties

Should BCL enter CVL then all employees would be made redundant prior to/immediately on appointment and all sites would cease operations immediately with the liquidator abandoning project sites and return them to the customers' control.

As there would be no continuity of service to customers it is anticipated asset realisations in a CVL could be minimal and therefore deliver a worse result to creditors as a whole than the proposed pre-packaged transaction.

- **Fixed charge receiver appointed over BGL:** A fixed charge receiver could be appointed to realise the freehold property in BGL, however it is likely that the property would take a minimum of three to six months to realise on the open market (potentially much longer) and as such there would be additional costs to hold the property such as insurance, security, maintenance etc. To realise the property on the open market would also require the assistance of property agents which would charge a commission on the sale proceeds. A pre-packaged administration of BGL would realise day one value and reduce costs of realisations.

Should a receiver be appointed over BGL then insolvency practitioners would still need to be appointed over BGL and BCL as they would remain insolvent. Given the lack of funding this would likely result in a CVL of both entities which, as mentioned above, would lead to both entities immediately cease trading which would be value destructive, particularly in relation to debtor, retention and WIP realisations in BCL.

Advice was also provided by an independent property agent confirming that the transaction consideration achieved for the freehold property represents current market value when comparing returns that could be achieved by appointing a fixed charge receiver (after costs).

Consultation with stakeholders:

We approached the Lender and the Group’s shareholders to request funding to enable a sales process to be performed over a longer duration, either inside or outside of an insolvency process. Both the Lender and the Group’s shareholder advised that they were unable to provide funding. However, both are fully supportive of the transaction to sell the business and assets of BGL and BCL to the Purchasers.

Upon receipt of an acceptable offer for the Group’s business and assets, Portchester were granted accompanied access to the Group’s key customers, in order to assess the likelihood they would be supportive of the business post a transaction. All customers confirmed a willingness to work with the business, subject to a range of conditions being met.

5 Registered charges

BGL and BCL had the following registered charges as at the date of appointment:

Company	Date of creation of charge	Date of registration of charge	Details of charge	Name of charge holder
BGL	31 January 2014	6 February 2014	Fixed and Floating Charge. Floating charge covers all the property or undertaking of the company.	Santander UK PLC
BGL	15 October 2014	18 October 2014	Fixed charge over property located at plot E2, Parklands Business Park, Forest Lane, Denmead, PO7 6XP. Contains negative pledge.	Santander UK PLC
BGL	15 October 2014	18 October 2014	Fixed charge over property located at Profectus House, Parklands Business Park, Forest Lane, Denmead, PO7	Santander UK PLC

			6XP. Contains negative pledge.	
BCL	31 January 2014	10 February 2014	Fixed charge over property located at Profectus House, Parklands Business Park, Forest Lane, Denmead, PO7 6XP.	Santander UK PLC
BCL	31 January 2014	6 February 2014	Fixed and Floating Charge. Floating charge covers all the property or undertaking of the company.	Santander UK PLC

The fixed and floating charges in respect of the Lender relate to CBILS banking facilities totalling £2 million and an overdraft facility of £3.5 million. As at the date of our appointment, the CBILS loan is fully drawn down and the exposure on the overdraft facility totalled approximately £850,000 before applying any interest and fees.

The Lender has fixed and floating charges over the Group entities as security against its lending with cross guarantees in place over Group entities including BCL and BGL.

6 Marketing of the business and assets

The Group launched an AMA on 22 June 2022, the day before board resolutions were passed to file NOIs for BGL and BCL. The NOIs were filed following the withdrawal of a solvent offer from Portchester to purchase the shareholding of the Group and following this, confirmation from the Lender that it was only willing to fund critical payments and would not allow its combined facilities to exceed £3.2 million (being its exposure as at 21 June 2022). The Group did not commence the accelerated sales process prior to this given the sensitivity of ongoing negotiations with Portchester on the solvent offer and the potential for disruption to ongoing trading.

A&M worked with the Group to prepare a list of possible interested trade parties, covering both trade buyers, and special situations funds with the ability to transact quickly.

During this process 116 parties were directly contacted (64 special situation private equity investors and 52 trade parties). An initial teaser was sent to all interested parties identified. This teaser provided background information on the situation and high-level financial data, along with details of how a party should register its interest.

Of the parties contacted, 8 requested a non-disclosure agreement (“NDA”). Of which, 6 parties returned signed NDAs and were provided access to a virtual data room (“VDR”) (4 special situation private equity investors and 2 trade parties).

On 27 June 2022 the business was listed for sale online at BusinessesForSale.com. This generated one lead from interested parties. An NDA was sent to the interested party however, no response was forthcoming.

The extensive interested parties list, together with the sales process being broadcast on BusinessesForSale.com during the marketing period, provided a comprehensive base for marketing the business for sale.

We believe that, given the limited time available, the marketing that was conducted was appropriate and comprehensive. The methods chosen by the Joint Administrators have meant that the maximum number of potential interested parties have been reached in the timeframe available, to achieve the best value for a sale of BGL's and BCL's business and assets. Portchester has been interested in acquiring the shareholding of the Group for a number of years, as it has sought to add a construction business to its portfolio, which includes a significant real estate development opportunity. The local nature of the Group is a further advantage. Despite Portchester advising Management it was withdrawing its interest in acquiring the Group's shareholding (following a period of extensive due diligence) it remained keen to acquire the business and assets of BGL and BCL.

7 Valuation of business and assets

We have discussed the proposed offers with independent property agents, independent asset valuers and independent quantity surveyors who all recommend acceptance of the offer made by the Purchasers.

The independent experts used to value BGL's and BCL's assets are:

PACT Property and Assets Limited (RICS Chartered Surveyors) ("PACT") – who valued the freehold properties in BGL.

Quantum Consult Limited (Chartered Quantity Surveyors) ("Quantum") – who valued the debtors, WIP, retentions and claims attached to BCL's ongoing and completed projects.

SIA Group Asset Ingenuity Limited (RICS Chartered Surveyors) ("SIA") – who valued BCL's goodwill and intellectual property, motor vehicles and office furniture and IT equipment.

All agents meet the requirements of SIP 16, being independent agents and appraisers with adequate professional indemnity insurance. The valuations on behalf of BGL and BCL were undertaken by appropriately qualified professionals with sufficient knowledge and experience of performing valuations in these circumstances.

Details of the valuations obtained, and the basis of the valuation adopted are detailed in the table below:

Company	Agent	Asset valued	Basis of valuation	Range of valuations
BGL	PACT	Freehold properties (Brymor House and Ocean House)	Market value with vacant possession and market value assuming a restricted marketing period of 90 days. Both if sold together and separately	£1.5 million (separate sales assuming a restricted market period) to £1.95 million (sold together unrestricted marketing period)
BCL	Quantum	Project contracts (inc. debtors, WIP, retentions and claims)	Best case and worst case in a collect out scenario. All values are listed before the costs of collection	£319,000 to £1.5 million

BCL	SIA	Goodwill and intellectual property	Market value (in-situ) and market value (ex-situ)	£0 to £20,000
BCL	SIA	Office furniture and IT equipment	Market value (in-situ) and market value (ex-situ) before any costs of realisations	£30,000 to £108,000
BCL	SIA	Motor vehicles	Market value (in-situ) and market value (ex-situ) before any costs of realisations	£23,000 to £24,000

The above valuations were necessary to enable the Joint Administrators to compare the offer received from the Purchasers to acquire the business and assets of BGL and BCL, and benchmark against that which could be realised from a piecemeal disposal of the assets in an alternative insolvency scenario (most likely a liquidation).

8 Comparison of offers received

Given the timescales available, we requested that all potential purchasers who had signed an NDA provided a written offer by 3pm on 29 June 2022.

Portchester (via the Purchasers) was the only interested party to submit an offer, and this is described in detail in Section 9 below.

We held discussions with several interested parties that expressed a desire to consider the opportunity; however, the majority of interested parties withdrew their interest once they became aware that all sites had been closed down since 24 June 2022 and subcontractors had not been paid, as they deemed it to be difficult to re-open the project sites without incurring significant costs or that the customers would have already started making contingency plans to move to a new contractor.

The offer received from the Purchasers was assessed using a number of criteria, including value, certainty of value, timing and deliverability. Following this assessment, we concluded that this offer would return the best outcome for the creditors of both BGL and BCL whilst saving a significant number of jobs in the process.

The sale of BCL's business and assets to the Purchasers also provides the opportunity of continuity for its customers, all of which may have had significant consequential loss claims against BCL should continuity of service not have been provided.

Given the lack of funding available from key stakeholders, should a sale to the Purchasers not have been achieved then a liquidation of BGL and BCL (or a fixed charge receiver appointed over the properties in BGL) would have been the next most viable option which, as noted above, would likely restrict asset realisation values.

9 The transaction

A sale to the Purchasers was completed on 8 July 2022. Details of the transaction are as follows:

Assets

Company	Asset	Fixed charge consideration (£)	Floating charge consideration (£)
BGL	Freehold properties	1,750,000	-
BGL	Goodwill and seller's records	1	-
BCL	Debtors and WIP (inc. assigned contracts)	-	£299,997 plus 10% of debtor collections
BCL	Retentions	-	£1 plus 37% of retention collections
BCL	Claims	-	£1 plus 37% of claims collections
BCL	Motor vehicles	-	£24,000
BCL	Office furniture and IT equipment	-	£65,996
BCL	Leasehold interest, stock, licences, software, and seller's records	-	£5
BCL	Goodwill and intellectual property	10,000	-

Please note that exchange of the freehold properties occurred immediately following our appointment with completion to be achieved following the finalisation of satisfactory property searches by SHOO996. In the interim period, BCL (as leaseholder) has granted SHOO997 an excluded lease. Per the terms of the excluded lease, SHOO997 will pay rent at a rate of £8,333 per month during its period of occupation.

Sales consideration

SHOO997 has paid day one consideration of £400,000 for the assets in BCL (breakdown provided above). Further consideration will be paid on a monthly basis linked to future debtor, retention and claims collections.

SHOO997 has guaranteed minimum deferred consideration in relation to the retentions and claims of £100,000 within 6 months of the transaction date, and a further minimum £100,000 within 12 months of the transaction date.

SHOO996 has agreed to pay consideration of £1.75 million for the freehold properties in BGL (its only material assets) following completion, which will be achieved following the finalisation of satisfactory land registry searches.

The allocation of the above consideration is in line with the valuation of the business and assets by independent agents as detailed in section 7 above.

Certain of SHOO997's obligations under the Sale and Purchase Agreement, including payment of the deferred consideration, are guaranteed by Portchester.

Purchaser and related parties

Portchester has advised that it is not deemed to be a connected party to the Group however certain members of the Group's Management team are transferring across to SHOO997 and will be involved in its management going forward.

We understand the following directors are transferring to SHOO997 and will be involved in its management going forward:

Graham Excell
Paul Downing
Mark Dyer
Carmen Morton

None of the directors listed above had given guarantees for amounts due from either BGL or BCL to the Lender or any of its other creditors

Viability statement

As proposed administrators, we made the Purchasers aware it had the opportunity to produce a viability statement confirming it has sufficient liquidity for a period of 12 months from the date of transaction.

Whilst such a statement has not been provided, the Purchasers indicated it intends to ensure the business will be appropriately capitalised, and we are aware Portchester has a track record of acquiring and supporting businesses as evidenced by its portfolio of investments.

Evaluators Qualifying Report

Given the transfer of a number of the Group's directors to the Purchasers, an Evaluator's Qualifying Report has been prepared by J9 Advisory Limited, an independent third party, whom we are satisfied has sufficient knowledge and experience to conduct the qualifying report.

The qualifying report states that the evaluator is satisfied that the consideration provided for the business and assets, and the grounds for the substantial disposal, are reasonable in the circumstances. A copy of the qualifying report dated 7 July 2022 has been appended.

10 Conclusion

BGL:

Due to the Group's financial position and uncertainty around continuing the project sites following a period of mothballing, rescuing BGL in accordance with Paragraph 3(1)(a) is not achievable and since there will be no funds available to distribute to any party other than the Lender under its fixed charge security, the statutory purpose under Paragraph 3(1)(b) is also not achievable.

Therefore, in accordance with Paragraph 3(1)(c) our primary objective and role as Joint Administrators is to realise the assets of BGL in order to make a distribution to the Lender as the secured creditor.

The pre-packaged sale will achieve this as the sale proceeds (less A&M's fees and other costs of the administration) will be distributed to the Lender under its fixed charge security over the properties. The Lender, as fixed charge holder, has confirmed that it agrees with this strategy.

We believe that it is appropriate to conclude a pre-pack with BGL because:

- Portchester advised that purchasing the freehold property is a condition of its wider offer, as it requires the head office premises to avoid the disruption of moving the business;

- Asset realisations are supported by the independent property valuation conducted by PACT;
- The freehold property is BGL's only asset and the value breaks in the Lender's debt. The Lender has confirmed its agreement to the transaction; and
- There are no employees and only minimal unsecured creditors in BGL. Given the value breaks in the Lender's debt, no other party has been prejudiced by the transaction.

BCL:

Due to the Group's financial position and uncertainty around continuing the project sites following a period of mothballing, rescuing BCL in accordance with Paragraph 3(1)(a) is not achievable.

Therefore, our primary objective and role as Joint Administrators is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

We are satisfied that this pre-packaged sale will enable us to achieve this purpose by ensuring value is obtained from BCL's debtors, retentions and WIP ledgers. SHOO997 is incentivised to collect these balances, through the upside sharing mechanism that has been negotiated.

The independent quantity surveyor has advised that in a CVL it would be challenging to recover any amounts from these assets over and above what is being offered by the Purchaser as part of the pre-packaged transaction.

Additionally, the sale has mitigated liabilities that would have ordinarily arisen in a winding up by: a) providing the opportunity of continuity for its customers, all of which may have had significant consequential loss claims against BCL should it be wound up; and, b) transferring approximately 110 employees to the Purchaser under TUPE regulations which will see their employment protected and thus mitigate employee liabilities.

We have acted in the best interests of the creditors as a whole when negotiating the pre-packaged sale of BGL and BCL and are satisfied that the outcome achieved is the best available outcome for creditors as a whole in the circumstances.

Appendix 6 – Evaluator’s report

Qualifying Report

Under The Administration (Restrictions on Disposal
etc. to Connected Persons) Regulations 2021

IN RELATION TO THE PROPOSED SUBSTANTIAL DISPOSAL OF
THE BUSINESS AND ASSETS OF:

BRYMOR GROUP LIMITED AND

BRYMOR CONSTRUCTION LIMITED

TO SHOO996 LTD AND SHOO997 LTD

7 JULY 2022

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PURPOSE, CONTENTS AND INTERPRETATION

PURPOSE

As Per the Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021, in the absence of Creditor Approval of this substantial disposal, a connected party purchaser is required to obtain a Qualifying Report in accordance with Section 6 of the Regulations, and this report has been commissioned for that purpose.

CONTENTS

- 1) Evaluator Profile and Professional Indemnity Insurance
- 2) Transacting Companies, The Connected Person and Previous Qualifying Reports
- 3) Proposed Transaction Details
- 4) Independent Asset Valuation, Marketing
- 5) Opinion on the Proposed Transaction and Evidence Relied Upon

INTERPRETATION

In this Report:

"The Regulations" means The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021.

"Qualifying Report" has the meaning given to it in Regulation 5 of the Regulations.

"Previous Report" has the meaning given to it in Regulation 8 of the Regulations.

"Substantial Disposal" has the meaning given to it in Regulation 3 of the Regulations.

"Connected Persons" as defined in Paragraph 60A(3) of Schedule B1 to the Insolvency Act 1986 and includes Directors, Shadow Directors, and other Officers of the Company, as well as Connected Companies.

"Relevant Property" means the property being disposed of, hired out or sold by the substantial disposal.

"The Proposed Administrator" means Michael Magnay and Mark Firmin of Alvarez & Marsal Europe LLP ("A&M").

1) EVALUATOR PROFILE AND PROFESSIONAL INDEMNITY INSURANCE

EVALUATOR PROFILE

I, Johnny Abraham, confirm that I am satisfied that my knowledge and experience is sufficient to meet the requirements set out under Part 3 of The Administration (Restriction on Disposal etc. to Connected Persons) Regulations 2021.

I have over 20 years of experience specialising in Business Funding, Restructuring and Insolvency matters which has been gained within an International Big 4 Professional Services Firm, a National Independent Restructuring and Insolvency practice, and within my own Independent Specialist Business Advisory Firm. I also have experience in Commercial Lending gained within two International Banks.

I am a Fellow Member of the Institute of Chartered Accountants in England and Wales, a Fellow Member of the Association of Business Recovery Professionals, and an Accredited Member of the Institute for Turnaround.

I can confirm that:

- I meet the requirements as to Professional Indemnity Insurance as specified in Regulation 11, (Further details set out below);
- I meet the requirements as to independence, as specified in Regulation 12; and
- I am not excluded from acting as an Evaluator by virtue of Regulation 13.

Having met the requirements set out above, I can therefore act as an Evaluator in respect of making this Qualifying Report.

PROFESSIONAL INDEMNITY INSURANCE

Insurer: QBE UK Limited.

Policy Number: 00010817PIC

Risks Covered: Professional Indemnity Insurance to cover the Business Funding, Rescue and Restructuring Advisory Services provided by J9 Advisory Limited, including acting as an Evaluator in producing a Qualifying Report under the Regulations.

Amount Covered: £1,000,000 (any one claim)

Exclusions: Geographical Exclusion (USA and Canada). Vicarious Liability Exclusion.



2) TRANSACTING COMPANIES, THE CONNECTED PERSONS AND PREVIOUS QUALIFYING REPORTS

DISPOSING COMPANIES

Brymor Group Limited ("Brymor Group")

Company Number - 08610898

Brymor Construction Limited ("Brymor Construction")

Company Number - 02099201

PROPOSED PURCHASERS

Shoo996 Ltd ("Shoo996") Company Number - 14218605

Shoo997 Ltd ("Shoo997") Company Number - 14214530

CONNECTED PERSONS

Graham Leslie Excell

Paul Downing

Mark William Dyer

Carmen Louise Morton

NATURE OF CONNECTION

Shoo996 and Shoo997 - are newly formed subsidiaries of Portchester Equity Limited ("Portchester"), who was involved in discussions in May 2022 to explore an opportunity to acquire the shareholding of Brymor Group, however upon completing the due diligence, subsequently withdrew their interest in completing a solvent share purchase. Whilst Shoo996 and Shoo997 are not strictly classed as a connected persons, Shoo997 will be employing the persons name below, and therefore they have been noted in this Qualifying Report in order to provide transparency to all Stakeholders with regards to the proposed transaction.

Graham Leslie Excell - is a Director and Company Secretary of Brymor Group Limited. He is also a Director and Company Secretary of Brymor Construction. He will be employed by Shoo997 in a Management position.

Paul Downing - is a Director of Brymor Group. He is also a Director of Brymor Construction. He will be employed by Shoo997 in a Management position.

Mark William Dyer - is also a Director and Minority Shareholder of Brymor Group Limited. He is also a Director of Brymor Construction. He will be employed by Shoo997 in a Management position.

Carmen Louise Morton - is a Director and Minority Shareholder of Brymor Group Limited. She is also a Director of Brymor Construction. She will be employed by Shoo997 in a Management position.

PREVIOUS QUALIFYING REPORTS

The Connected Persons above have provided written confirmation that no previous Qualifying Reports have been instructed or received from any other Evaluator.

There is no reason for me to believe that this is incorrect, and therefore I surmise that Section 8 of the Regulations does not apply.

3) PROPOSED TRANSACTION DETAILS

BUSINESS AND ASSETS BEING DISPOSED ("RELEVANT PROPERTY")

Shoo996 Ltd and Shoo997 Ltd are proposing to acquire substantial Business and Assets of Brymor Group Limited and Brymor Construction Limited which consist of the following:

Brymor Group: Two Freehold Properties

Bymor Construction:

- Debtors and WIP
- Retentions
- Claims
- Office Furniture and Equipment
- Motor Vehicles
- Contracts, Licenses, Intellectual Property, Goodwill

PROPOSED CONSIDERATION AND TERMS

Shoo996 proposes to acquire the Relevant Property of Brymor Group for the consideration and under the terms detailed below:

Brymor Group: Two Freehold Properties £1,750,000

Terms:

- Legal exchange for the Brymor Group transaction will take place on completion of the Brymor Construction transaction, and subject to a £1 Deposit. Legal completion will take place on receipt of relevant property searches, and in the meantime, Shoo997 will be subject to a license to occupy at a rate of £8,333 per month, payable in advance.

Shoo997 proposes to acquire the Relevant Property of Brymor Construction for the consideration and under the terms detailed below:

Brymor Construction:

Initial Consideration:

- | | |
|--|-----------------|
| • Debtors and WIP | £300,000 |
| • Office Furniture and Equipment | £66,000 |
| • Motor Vehicles | £24,000 |
| • Contracts, Licenses, Intellectual Property, Goodwill | £10,000 |
| | <u>£400,000</u> |

Deferred Consideration:

- Debtors: an additional 10% of all post appointment debtor collections.
- Retentions: 37% of net collections after reasonable recovery costs
- Claims: 37% of net collections after reasonable recovery costs

Terms:

- The Initial Consideration of £400,000 will be payable in full on completion of the proposed transaction.
- The Deferred Consideration relating to Retentions and Claims will be subject to a minimum £100,000 payable within six months of completion, and a further minimum £100,000 payable within 12 months of completion.
- All 110 employees will transfer to the Proposed Purchaser with an estimated TUPE liability of £3,000,000 being undertaken.

4) INDEPENDENT VALUATION, MARKETING

INDEPENDENT VALUATION

The Proposed Administrator has provided me (on a confidential basis) with a copy of a Property Valuation Report dated 5 May 2022 that have been prepared by PACT Property & Asset Ltd ("PACT"), a RICS Regulated valuation firm. This report provides an opinion on the market values of two freehold properties that are owned by Brymor Group.

I have also been provided with email correspondence dated 4 July 2022 from PACT which sets out a recommendation in relation to the two properties.

I have been provided with a Desktop Valuation dated 1 July 2022 that has been prepared by SIA Asset Ingenuity Limited ("SIA"), a RICS Regulated valuation firm. It sets out the market values of the Tangible Assets, together with comments relating to goodwill/Intellectual property together with a recommendation.

I have also been provided with email correspondence dated 1 July 2022 that has been prepared by Quantum Group, a firm of RICS Regulated Quantity Surveyors who have given an opinion in relation to Debtors, Retentions and Claims.

MARKETING

The Proposed Administrators have provided information with regards to the level of marketing activity that has been completed in relation to the relevant property which is summarised as follows:

A&M were initially engaged on 12 May 2022 to provide Brymor Group and its subsidiaries with Restructuring Advisory Services, and to assist management with providing information to Portchester who were interested in acquiring the Group Shareholding, as well as assisting Management to prepare for an accelerated sales process should the interest from Portchester be withdrawn.

Following extensive due diligence, Portchester withdrew their interest in acquiring the shareholding of Brymor Group and an accelerated sales process was commenced on 22 June 2022. Details of the Business and Assets were circulated to 64 special situation private equity investors, together with 52 trade parties.

From the interest that was generated by this, 8 Non-Disclosure Agreements were sent, of which 6 were returned and these parties were subsequently provided with access to a data room with further information relating to the opportunity.

On 27 June 2022, the business was listed on [businessesforsale.com](https://www.businessesforsale.com), which generated one interested party, though no signed NDA has been returned to date.

A deadline for offers was set as 3pm on 29 June 2022.

The freehold properties owned by Brymor Group, have not been marketed outside of the sales process detailed above.

5) OPINION ON THE PROPOSED TRANSACTION AND EVIDENCE RELIED UPON

EVIDENCE RELIED UPON

In undertaking my review of the proposed transaction and reaching the opinion below, I have relied upon the following information and evidence that has been provided to me by the Proposed Administrators. No detailed audit or verification of the information or evidence provided has been undertaken.

- J9 Advisory Information Pack
- SIA Desktop Valuation and Recommendation
- Company Financial Information
- Quantum Group Valuation and Recommendation
- PACT Property Valuation and Recommendation

OPINION

I am satisfied that the consideration to be provided for the relevant property, and the grounds for the substantial disposal, are reasonable in the circumstances.

In arriving at this opinion, I have considered all of the information that has been provided to me, and I have also considered the commercial benefit to the proposed Administrators of completing the proposed transactions including:

- The total initial consideration that is being proposed and payable in full on completion.
- The continuity of employment provided for c.110 people, with the proposed purchaser undertaking a TUPE liability of an estimated £3,000,000. This in turn will reduce Employee related claims and related costs in the Administration.
- Completion of the proposed transactions provides continuity of services to customers which will significantly improve debtor and retention collections, whilst reducing Administration costs and claims.
- The sale of the Brymor Group freehold properties reduces transaction risk, together with the Administration costs that would be incurred if pursuing an alternative sales route. This transaction has the support of the fixed charge holder.
- In the absence of any additional offers, the value provided by this proposed transactions exceeds the alternative option of a Liquidation which would incur increased Employee related creditor claims and Administration costs.

For the avoidance of doubt, I express no opinion as to whether Shoo996 Ltd and Shoo997 Ltd is, or will in the future remain a going concern, neither do I express an opinion on any decision made by the Proposed Administrators of Brymor Group Limited and Brymor Construction Limited to enter into a connected party transaction. These are matters for the Proposed Administrators to determine.



Johnny Abraham FCA
Managing Director
J9 Advisory Limited

Appendix 7 – Glossary

Any references in these proposals to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Defined Terms	Definition
A&M	Alvarez & Marsal Europe LLP
AMA	Accelerated mergers & acquisitions
AP	Aaron & Partners
BGL	Brymor Group Limited. – in administration
Company	Brymor Construction Ltd. – in administration
CVL	Creditors Voluntary Liquidation
Directors / Management	Paul Downing, Mark Dyer, Graham Excell, Carmen Morton, Jan Morton, Stephen Morton
Group	BGL and its subsidiaries (including the Company)
Joint Administrators/we/our/us	Michael Magnay and Mark Firmin
Lender	Santander UK PLC
NDA	Non-disclosure agreement
NOI	Notice of intention to appoint administrators
Portchester	Portchester Equity Limited
Purchaser / SHOO997	SHOO997 Limited
Quantum	Quantum Group Limited
SIA	SIA Group Asset Ingenuity Limited
SIPs	Statements of insolvency practice
SIP 9	Payments to insolvency office holders and their associates from an estate
SIP 13	Disposals of assets to connected parties in an insolvency process
SIP 16	Pre-packaged sales in administrations
SPA	Sale and purchase agreement
Squires	Squires Patton Boggs (UK) LLP
Teneo	Teneo Financial Advisory Limited
VDR	Virtual data room

Appendix 8 – Notice: About this statement of proposals

This statement of proposals (“proposals”) has been prepared by Michael Magnay and Mark Firmin, the Joint Administrators of Brymor Construction Ltd. (“the Company”), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purpose of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the same group.

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.

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

Michael Magnay and Mark Firmin are authorised to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agent for the Company without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Alvarez & Marsal Europe LLP does not assume any responsibility and will not accept any liability to any person in respect of these proposals or the conduct of the administration.