



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 0 4 4 7 0 3 6

Company name in full Bromford Iron and Steel Company Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Ross David

Surname Connock

3 Administrator's address

Building name/number 2 Glass Wharf

Street

Post town Bristol

County/Region

Postcode B S 2 0 F R

Country United Kingdom

4 Administrator's name ①

Full forename(s) David Matthew

Surname Hammond

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Once Chamberlain Square

Street

Post town Birmingham

County/Region

Postcode B 3 3 A X

Country United Kingdom

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

| | | | | | | | | |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| From date | ^d 2 | ^d 3 | ^m 0 | ^m 9 | ^y 2 | ^y 0 | ^y 2 | ^y 0 |
| To date | ^d 2 | ^d 2 | ^m 0 | ^m 3 | ^y 2 | ^y 0 | ^y 2 | ^y 1 |

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

| | | | | | | | |
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AM10

Notice of administrator's progress report



Presenter information

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

Contact name **Helena Perevalova**

Company name **PricewaterhouseCoopers LLP**

Address **8th Floor, Central Square**

29 Wellington Street

Post town **Leeds**

County/Region **West Yorkshire**

Postcode

| | | | | | | |
|---|---|---|--|---|---|---|
| L | S | 1 | | 4 | D | L |
|---|---|---|--|---|---|---|

Country

DX

Telephone **0113 288 2046**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

Joint administrators' progress report from 23 September 2020 to 22 March 2021

Bromford Iron and Steel Company Limited
(in administration)

Business and Property Courts in Birmingham
Insolvency and Companies List (ChD)
Case No: CR2019 - BHM - 000762

19 April 2021

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The following table shows the abbreviations and insolvency terms that may be used in this report:

| | |
|---------------------------------------|---|
| Administrators / us / we / our | Ross Connock of PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol BS2 0FR and David Matthew Hammond of PricewaterhouseCoopers LLP, One Chamberlain Square, B3 3AX |
| BEIS | Department for Business, Energy & Industrial Strategy |
| Brockhouse | Brockhouse Group Limited |
| Company | Bromford Iron and Steel Company Limited - in Administration |
| Close Brothers | Close Brothers Limited, a secured creditor |
| CVA | Company voluntary arrangement under Part 1 IA86 |
| CVL | Creditors' voluntary liquidation |
| D&J | D&J (Steels) Limited |
| Group | Original Steel Services Limited, D&J (Steels) Limited, Brockhouse Group Limited and the Company collectively |
| IA86 | Insolvency Act 1986 |
| IR16 | Insolvency (England and Wales) Rules 2016 |
| HMRC | HM Revenue & Customs |
| Purchaser | Bromford Iron Limited |
| Prescribed part | The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003 |
| Proposals | The Administrators' proposals for achieving the purpose of administration, as approved by creditors on 21 October 2019 |
| Preferential creditors | Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances |
| Remuneration report | As required by UK insolvency legislation, a report provided to all known creditors containing details of the work we expect to carry out during the insolvency, the expenses that are likely to be incurred and if our fees are proposed to include remuneration calculated on a time costs basis, an estimate of those fees. |
| ROT claims | Claims to retention of title over goods supplied to the Company but not paid for before the Administrators' appointment |
| RPS | Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy & Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996. |
| Sch.B1 IA86 | Schedule B1 to the Insolvency Act 1986 |
| SPA | The agreement for the sale and purchase of the business and assets of the Company dated 23 September 2019 and made between the Company, the Administrators and the Purchaser. |
| Secured creditor | Close Brothers - creditor with security in respect of their debt, in accordance with Section 248 IA86 |
| TopCo | Original Steel Services Limited |
| TUPE | Transfer of Undertakings (Protection of Employment) Regulations 2006 |
| Unsecured creditors | Creditors who are neither secured nor preferential |

This report has been prepared by Ross David Connock and David Matthew Hammond as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

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

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

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at www.pwc.co.uk/bromford. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Ross David Connock and David Matthew Hammond have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Why we've sent you this report

We're writing to update you on the progress of the administration of the Company in the six months since our last report dated 16 October 2020.

You can still view our earlier reports on our website at www.pwc.co.uk/bromford. Please get in touch with Helena Perevalova on 0113 288 2046 or at helena.perevalova@pwc.com if you need any of the passwords to access the reports.

How much creditors may receive

The following table summarises the possible outcome for creditors, based on what we currently know.

| | | |
|---|--------|----------|
| Secured creditors | 100p | 100p |
| Preferential creditors - employees | N/A | N/A |
| Unsecured creditors | 7 - 8p | up to 8p |

Further to our last report, Close Brothers have been fully repaid its lending of £544,000 from the successful recovery of debts subject to an invoice discounting facility, with surplus of £19,280 being paid to the administration estate.

There are no preferential creditors as all 38 employees of the Company were transferred to the Purchaser under TUPE on the date of the appointment of the administrators.

We think the Company's unsecured creditors (received claims total £2.07m) could receive a dividend of 7-8p in the £ based on what we currently know. The amount of any dividend and when it would be paid are dependent on the final position of the administration and any further costs incurred.

We are proceeding on the basis that a dividend will be available and we're continuing to ask for outstanding claims from unsecured creditors so that we can agree them for dividend purposes.

The initial estimate of the dividend available to the unsecured creditors as stated in our proposals was up to 3p in the £. The additional work we have undertaken since the appointment has significantly increased the return to the creditors which resulted in additional realisations in the form of an intercompany claim settlement and the surplus debtor ledger totalling £90,335.

What you need to do

If you haven't already done so, please send your claim to us so that we can agree it in principle. A claim form can be downloaded from our website at www.pwc.co.uk/bromford or you can get one by telephoning Helena Perevalova on 0113 288 2046.

All creditors wishing to receive the anticipated dividend payment should submit a proof of debt.

Please note that should you wish to vote in relation to any decision procedure during the administration or object to a decision sought by deemed consent, you'll need to submit a proof of debt, even if one is not required for dividend purposes.

Later in this report we provide an explanation of the additional work we've done and you may also wish to refer to our previous reports for further details. As this necessitated us incurring costs in excess of our initial estimate, we are now seeking the approval of creditors to draw fees in excess of the amount previously approved.

You'll remember from our previous reports that:

- The Company was a producer of hot rolled steel sections to customers in various industries, particularly equestrian, transport and agricultural. The Company is part of the group of companies owned by Original Steel Services Limited, which included a steel stockholder, D&J (Steels) Limited, and a forging business, Brockhouse Group Limited. We were appointed administrators of D&J on 11 September 2019 following which a pre-pack sale to an unconnected party, Barrett Steels Limited, was completed on appointment. As a result of the insolvency D&J is no longer trading as part of the Group, however the Brockhouse is still part of the Group.
- The Company's main customer was Royal Kerckhaert Horseshoe Factory in the Netherlands, which historically provided c.30% of turnover. The draft accounts for the financial year ended 31 March 2019 reported a loss of £658k, with further losses of £80k accruing during the first two months of the current financial year.
- In January 2019, J A Envirotanks Limited (a company owned by TopCo) went into CVL, which had a negative knock-on effect on the group companies. In May 2019, suppliers advised the Company that their credit insurance would be withdrawn with the effect from July 2019 which then required the Company to pay for supplies on a pro-forma basis, which resulted in even higher requirements for the working capital which the Company did not have the resources to meet.
- PwC was contacted by TopCo to provide advice in relation to the financial position of the Company. After an initial review and consideration of various options it was decided to undertake an accelerated sale process. Despite some interest received, no parties were willing to complete the transaction solvently. Following a review of the cash position, it became apparent that an insolvency process was unavoidable.
- It was decided that the most appropriate strategy was to negotiate a sale of the business that could complete immediately after the appointment of administrators, in order to maximise value in the assets and the outcome for creditors.

We were appointed joint administrators of the Company on 23 September 2019. Immediately after our appointment, all of the assets and business of the Company were sold to Bromford Iron Limited. In summary:

- Total consideration for the sale of the business and assets was £67,041, which was paid on completion.
- The sale preserved the jobs as all 38 employees of the Company were transferred to the Purchaser under TUPE.
- The sale enabled the statutory purpose of the administration to be achieved as it represented the best offer received, and so provided the best available outcome for the creditors as a whole in all circumstances.

Following the appointment and up to the period of the previous progress report the joint administrators completed the following:

- Liaised closely with the secured creditor in relation to the surplus of any debtor funds due to the Company which resulted in £19,280 being received for the benefit of the unsecured creditors;
- We negotiated an intercompany settlement of £40,000 which also included a claim in liquidation of J A Envirotanks which resulted in receipt of £7,798;
- Reviewed the actions of anybody who has been a director of the Company in the three years before our appointment and submit our findings to BEIS (within three months following appointment);
- Dealt with the Company's books and records;
- Obtained the statutory formal approvals from creditors relating to the joint administrators' remuneration;
- Applied to court for permission to distribute a dividend to the unsecured creditors;
- Started the process of agreeing the unsecured claims in principle including intercompany claims; and
- Dealt with our statutory duties as joint administrators, including responsibility for the Company's VAT and tax affairs and other incidental tasks associated with the winding down and ultimate dissolution of the Company.

We remain in office to receive the first and final dividend from the administration of D&J, agree the remaining unsecured claims and pay a dividend, following which the administration will be concluded

When we last reported, the key outstanding matters in the administration were as follows:

- Apply to court for permission to pay a dividend to unsecured creditors in the administration;
- Receive the dividend from the administration of D&J;
- Receive the final settlement from TopCo;
- Receive the debtor surplus funds collected by the secured creditor;
- Agree remaining claims;
- Declare and distribute the dividend to unsecured creditors; and
- Close the administration.

Realisation of other assets

Books debts under fixed charge

Debts owed to the Company were subject to an invoice discounting facility provided by Close Brothers. At the time of our appointment, the sales ledger had a book value of £729k. Close Brothers also had security for its lending (of £544k) with fixed and floating charges over the Company's assets.

Once the collection process was completed by Close Brothers, we liaised directly with them and our lawyers regarding the actions required to agree a release of the funds, including reviewing and signing a deed of release and ensuring that no claims can be brought against the administrators in respect of book debts collected. Due to the level of work required and the delays these negotiations caused to the pending dividend process, we were required to extend the administration for a period of 12 months.

Following the conclusion of the debt collection process and the deduction of termination charges and costs, a surplus of £19,280 was transferred to the administration estate on 3 December 2020.

No further realisations are expected from this source.

Intercompany position

The Company is owed approximately £450,000 by D&J for shared services and stock it purchased prior to our appointment. D&J is also subject to insolvency proceedings and a distribution of 14 - 16p in the £ is expected to be paid to its creditors. We are not yet certain when any dividend will be received.

The Company was also owed some £900,000 by TopCo, which was a legacy balance arising from the acquisition of the Company in 2014. We previously explained that we had entered into a settlement agreement with TopCo, which included the following:

- Two cash payments of £20,000, both of which have now been received in full, the second in this reporting period. Any further distributions due to TopCo from the insolvency proceedings of J A Envirotanks Limited or D&J will be passed to the Company.
- An amount of £7,798 has been received from TopCo in respect of its own claim in J A Envirotanks Limited during the period of this report and an amount of c.£30,000 is expected in respect of the assigned D&J debt. In addition to that, 50% of the proceeds from any sale of shares in Brockhouse in the two years from March 2020 will also be passed to the Company.

Application to court to distribute funds to the unsecured creditors

During the period of this report we applied to court to obtain permission to declare and pay a distribution to the unsecured creditors within the administration instead of first placing the Company into creditors' voluntary liquidation. We applied to court in February 2021 and the permission was granted shortly after. In preparation for the dividend, we have completed claims agreement work, including HMRC and intercompany claims. There are a number of creditors from whom we are yet to receive a claim form and we would urge any creditors who have not submitted their claims yet to do so as soon as possible.

Connected party transactions

We have a duty (under Statement of Insolvency Practice No. 13) to disclose any disposal of assets in the Administration to a director or other connected party during the period, regardless of the nature or value of the assets concerned.

Laurence McDougall, an unconnected third party, owns 90% of the Purchaser. The remaining 10% of the Purchaser's shares are jointly held by Peter Davies and Chris Hutton-Penman, who are directors of the Company and are also the ultimate beneficial owners of the Company via their shares in TopCo. The transactions entered into with the Purchaser are set out in our previous report and in our Proposals.

Changes of administrator

Michael Denny, one of the previous joint administrators, has left the firm. To make sure that outstanding issues in the administration continue to be pursued, an application was made to the Court to remove him and appoint Ross Connock as administrator. Ross Connock is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The application was granted and so Ross Connock replaced Michael Denny as joint administrator with effect from 4 January 2021. Michael Denny will be released from all liability in respect of his conduct as administrator with effect from 28 days from the date of this report. Creditors have 28 days from receiving this notice to apply to Court to vary or discharge the Court order.

Corporation Tax

We have submitted the tax returns for the relevant periods and also requested clearance from HMRC. The initial clearance request was sent in November 2020, we have spent some significant time chasing HMRC for their response. After the period of this report, we have received confirmation from HMRC granting tax clearance.

VAT

As administrators, we also become responsible for dealing with the Company's VAT affairs and filing obligations. However, it was decided to deregister the Company for VAT purposes as of the date of administration. Subsequently, we prepared a final VAT return following the deregistration and any future VAT reclaims will be prepared on an ad-hoc basis.

Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the administration from 23 September 2020 to 22 March 2021.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

Our fees

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

We are now seeking further approval from the creditors that our remuneration can exceed the original fees estimate previously approved by creditors, due to the additional work we have needed to do. We attach the voting forms in Appendix E. We do not believe it will be necessary to seek any further increases prior to ceasing to act as administrators. We explain the reasons why the fees estimate has been exceeded and the action you need to take.

Pre-administration costs

You can find in Appendix D information about the approval of the unpaid pre-administration costs previously detailed in our proposals.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

You can also get a copy free of charge by telephoning Helena Perevalova on 0113 288 2046.

What we still need to do

We remain in the office to receive the dividend from D&J and assigned funds from the TopCo, declare and pay a dividend to the unsecured creditors after which we will proceed to close the administration. You can find further details of our future work in Appendix C.

Next steps

We expect to send our next report to creditors at the end of the administration in about six months. If you've got any questions, please get in touch with Helena Perevalova on 0113 288 2046.

Yours faithfully
For and on behalf of the Company



Ross Connock
Joint administrator

Bromford Iron and Steel Company Limited
(In Administration)
Joint Administrators' Abstract Of Receipts And Payments
From 23 September 2019 To 22 September 2020

| | Notes | Statement of Affairs (£) | 23 September 2019 To 22 September 2020 (£) | 23 September 2020 To 22 March 2021 (£) | Total (£) |
|--|-------|--------------------------|---|--|--------------------------|
| Sale of business | | | 67,041.00 | - | 67,041.00 |
| Debtors not assigned | | 16,000.00 | - | - | - |
| Book debts | 3 | 37,000.00 | 51,054.71 | 39,280.86 | 90,335.57 |
| Stock | | 30,000.00 | 50,000.00 | - | 50,000.00 |
| Insurance refunds | | | 10,820.09 | - | 10,820.09 |
| Insurance refunds | | 19,000.00 | - | - | - |
| Bank Interest gross | | | 300.30 | - | 300.30 |
| Cash in hand | | 38,000.00 | 38,893.79 | - | 38,893.79 |
| Floating charge realisations in the period | | | <u>218,109.89</u> | <u>39,280.86</u> | <u>257,390.75</u> |
| Cost of realisations / payments | | | | | |
| Agents' fees | | | 5,000.00 | - | 5,000.00 |
| Legal fees | | | 17,887.60 | 3,025.00 | 20,912.60 |
| Office holders' fees | 4 | | 90,000.00 | - | 90,000.00 |
| Office holders' pre-appointment fees | 2 | | 14,132.00 | - | 14,132.00 |
| Office holders' expenses | | | 328.00 | - | 328.00 |
| Statutory advertising | | | 77.00 | - | 77.00 |
| Insurance | | | 280.00 | - | 280.00 |
| Cost of realisations/ payments in the period | | | <u>127,704.60</u> | <u>3,025.00</u> | <u>130,729.60</u> |
| Balance of floating charge funds | | | <u>90,405.29</u> | <u>36,255.86</u> | <u>126,661.15</u> |
| MADE UP AS FOLLOWS | | | | | |
| Barclays Bank PLC | | | | | |
| VAT control account | | | (24,429.52) | (600.00) | (25,029.52) |
| Total balance at bank | 1 | | 65,975.77 | 35,655.86 | 101,631.63 |

1. Balances at bank are held in a non interest bearing account following the request for tax clearance.
2. The Joint Administrators' pre-administration fees were approved for payment by the general body of creditors on 20 May 2020.
3. There is an outstanding fixed charge registered against the Company in favour of Close Brothers in respect of factored book debts. This amount has now been repaid in full.
4. The Joint administrators' fees have been approved to be paid on time cost basis.

All amounts are shown exclusive of VAT

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and includes our fees, but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

| | | | | | | | |
|---|----------------|---------------|----------------|---------------|----------------|----------------|-----------------|
| Agents' fees and disbursements (Gordon Brothers) | 5,000 | Nil | 5,000 | Nil | 5,000 | 5,000 | Nil |
| Pre-appointment legal fees and expenses (Irwin Mitchell) | 12,289 | Nil | 12,289 | Nil | 12,289 | 12,289 | Nil |
| Post-appointment legal fees and expenses (Irwin Mitchell) | 5,599 | 3,025 | 8,624 | Nil | 8,624 | 8,116 | 508 |
| Insurance | 280 | Nil | 280 | Nil | 280 | 280 | Nil |
| Office holders' disbursements | 328 | 610 | 938 | 62 | 1,000 | 1,000 | Nil |
| Office holders' pre-administration costs | 14,132 | Nil | 14,132 | Nil | 14,132 | 14,132 | Nil |
| Office holders' post-administration costs | 111,928 | 35,485 | 147,413 | 17,587 | 165,000 | 135,771 | 29,229 |
| Statutory advertising | 77 | Nil | 77 | 77 | 154 | 144 | 10 |
| Total | 149,633 | 39,120 | 188,753 | 17,726 | 206,479 | 176,732 | (29,747) |

Our expenses have exceeded the estimate provided to all creditors before the basis of our fees was fixed on a time cost basis. Further details are provided below.

The further detail of our anticipated fee increase and work yet to be undertaken will be provided the in Appendix C

Our fees were approved on a time cost basis by the general body of creditors on 20 May 2020. To date we have drawn post appointment fees of £90,000 in line with the approval given, as shown on the enclosed receipts and payments account.

The time cost charges incurred in the period covered by this report are £35,485 bringing total time costs incurred to £147,413.

To date, our time costs have exceeded our initial estimate of £135,771 by £11,642 and we expect that our future costs to be incurred will be £17,587. Our new total estimated costs figure is £165,000. The Joint Administrators' fees have exceeded the initial estimate because of the following factors:

- We spent a significant amount of time dealing with the secured creditor in relation to the debt collection surplus, in order to ensure the best outcome for the unsecured creditors, which resulted in funds of £19,280.86 being transferred to the administration estate;
- This necessitated liaising directly with the secured creditor and our lawyers regarding the actions required to agree a release of the funds, including reviewing and signing a deed of release and ensuring that no claims can be brought against the administrators in respect of book debts collected;
- Due to the ongoing correspondence with the secured creditor and uncertainty surrounding the asset realisations, we had to extend the administration by additional 12 months to allow us to continue to pursue the asset realisations for the benefit of the unsecured creditors. This is something which had not been foreseen at the time of the original fees estimate;
- Due to the Coronavirus pandemic, there are further delays associated with obtaining confirmation from HMRC in relation to tax clearance and we have spent significant time chasing HMRC for confirmation of clearance to enable us to proceed with declaring and issuing a dividend.

We remain in the office to await receipt of the first and final distribution from D&J, admit unsecured claims that are yet to be reviewed and admitted, pay a first and final dividend to unsecured creditors, obtain all necessary clearances, including HMRC and proceed with closure of the administration. Detailed description of work to be undertaken is provided in Appendix C.

We propose that it will take us an additional £17,587 to complete our outstanding work which equates to approximately 49 hours of work to be undertaken at an average hourly rate of £359. We enclose voting forms to approve or reject our proposed fee increase of £29,229 at Appendix F.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Our hours and average rates

Time costs for the period of this report, with a cumulative column including the time brought forward from the last report

| | | | | | | | | | |
|-----------------------------|-------------|-------------|-------------|--------------|--------------|--------------|---------------|----------------|------------|
| Accounting and treasury | Nil | Nil | Nil | 0.20 | 2.70 | 1.75 | 4.65 | 1,489 | 320 |
| Assets | Nil | Nil | Nil | Nil | 1.40 | 0.60 | 2.00 | 693 | 347 |
| Creditors | Nil | 0.25 | 1.40 | 3.95 | 2.10 | 3.15 | 10.85 | 4,466 | 412 |
| Employees and pensions | Nil | Nil | 0.45 | Nil | 0.30 | 0.25 | 1.00 | 593 | 593 |
| Statutory and compliance | 0.25 | 2.62 | 2.25 | 7.80 | 22.30 | 23.35 | 58.57 | 21,558 | 368 |
| Tax and VAT | Nil | Nil | 0.30 | 2.80 | 2.00 | 7.06 | 12.16 | 5,036 | 414 |
| Strategy and planning | 0.50 | Nil | 0.10 | Nil | 2.05 | 1.50 | 4.15 | 1,650 | 398 |
| Total for the Period | 0.75 | 2.87 | 4.50 | 14.75 | 32.85 | 37.66 | 93.38 | 35,485 | 380 |
| Brought forward | | | | | | | 315.30 | 111,928 | 355 |
| Total | | | | | | | 408.68 | 147,413 | 361 |

A comparison of total time costs incurred compared to the fees estimate is shown below:

| | | | | | |
|-----------------------------|----------------|---------------|----------------|----------------|---------------|
| Accounting and treasury | 5,381 | 2,100 | 7,481 | 7,481 | Nil |
| Assets | 7,272 | 4,790 | 12,062 | 12,062 | Nil |
| Creditors | 19,323 | 7,319 | 26,642 | 26,642 | Nil |
| Employees and pensions | 6,716 | Nil | 6,716 | 5,818 | 898 |
| Investigations | 3,534 | Nil | 3,534 | 3,534 | Nil |
| Statutory and compliance | 73,592 | 2,025 | 75,617 | 51,285 | 24,332 |
| Tax and VAT | 11,000 | 1,097 | 12,097 | 12,097 | Nil |
| Strategy and planning | 20,595 | 256 | 20,851 | 16,852 | 3,999 |
| Total for the Period | 147,413 | 17,587 | 165,000 | 135,771 | 29,229 |

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the administration (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 hours). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the administration.

| | | |
|---------------------------------------|-----|-----|
| Partner | 690 | 850 |
| Director | 595 | 720 |
| Senior Manager | 515 | 585 |
| Manager | 405 | 475 |
| Senior Associate - Qualified | 310 | 390 |
| Senior Associate - Unqualified | 210 | 245 |
| Associate | 210 | 245 |
| Support Staff | 120 | 125 |

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

| | | | |
|---------------------------------------|-------|-------|-------|
| Partner | 1,385 | 1,520 | 1,600 |
| Director | 1,275 | 1,465 | 1,465 |
| Senior Manager | 975 | 1,290 | 1,355 |
| Manager | 710 | 775 | 815 |
| Senior Associate/Consultant | 520 | 575 | 605 |
| Associate/Assistant Consultant | 330 | 285 | 325 |
| Support Staff | 285 | 230 | 230 |

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

Payments to associates

We have not made any payments to associated companies.

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work:

| | | | |
|---------------------------------|--|---|--|
| Accounting and treasury | <ul style="list-style-type: none"> Dealing with receipts, payments and journals; and Carrying out bank reconciliations and investment of funds. | <ul style="list-style-type: none"> To ensure proper receipts and payments are fully and accurately recorded | <ul style="list-style-type: none"> Ensure proper management of funds held |
| Assets | <ul style="list-style-type: none"> Liaising with TopCo regarding settlement offer; Dealing with deferred realisations from TopCo in respect of D&J and J A Envirotanks Limited; Liaising with liquidators of J A Envirotanks Limited in respect of dividend to be received; and Liaising with administrators of D&J regarding creditor distribution to be received and providing relevant information in support of the claim into this estate. | <ul style="list-style-type: none"> To enable future asset realisations | <ul style="list-style-type: none"> To get in realisations to enable funds to be made available for creditors |
| Creditors | <ul style="list-style-type: none"> Receiving and following up creditor enquiries via telephone, email and post; Reviewing and preparing correspondence to creditors and their representatives; Planning for dividend distribution; Liaising with the secured creditor in relation to the debt surplus; and Receiving proofs of debt and maintaining a register. | <ul style="list-style-type: none"> To manage creditor enquiries. To keep creditors informed on the progress of the case | <ul style="list-style-type: none"> Work is required by statute and for the proper administration of the case. |
| Statutory and compliance | <ul style="list-style-type: none"> Issuing periodic progress reports to creditors and the Registrar; Issuing notices and associated documentation for seeking decisions of creditors; Making applications to creditors for the extension of the administration and filing relevant notices; Facilitating transfer of appointees, ensuring the statutory notifications and handovers are completed and signed off; Preparing documents, witness statements and supporting evidence for court application to distribute dividend to unsecured creditors in administration Filing of documents; and Updating checklists and diary management system. | <ul style="list-style-type: none"> To comply with our statutory obligations | <ul style="list-style-type: none"> Work is required by statute and for the proper administration of the case |
| Tax & VAT | <ul style="list-style-type: none"> Preparing tax computations; Liaising with HMRC; and Preparing final VAT 426. | <ul style="list-style-type: none"> To comply with our statutory obligations | <ul style="list-style-type: none"> Required by statute/regulations |
| Strategy and planning | <ul style="list-style-type: none"> Preparing fee budgets and monitoring costs; Holding team meetings and discussions regarding status of administration; and Completing internal reviews to ensure progression of the case. | <ul style="list-style-type: none"> To ensure case progression and monitoring costs. | <ul style="list-style-type: none"> Controls efficiencies, time costs and ensures continued case progression towards closure |

Our future work

We still need to do the following work to achieve the purpose of administration.

| | | | |
|---------------------------------|--|---------|--|
| Accounting and Treasury | <ul style="list-style-type: none"> • Dealing with receipts, payments and journals; • Carrying out bank reconciliations; • Processing dividend payment and cheque printing; • Corresponding with bank regarding specific transfers; and • Closing bank accounts and related systems. | • 2,100 | • Ensure proper management of funds held |
| Assets | <ul style="list-style-type: none"> • Dealing with deferred realisations from TopCo in respect of D&J; and • Liaising with administrators of D&J regarding creditor distribution to be received in respect of the Company's own claim in their liquidation. | • 4,790 | • To get in realisations to enable funds to be made available for creditors |
| Creditors | <ul style="list-style-type: none"> • Receiving and following up creditor enquiries via telephone, email and post; • Reviewing and preparing correspondence to creditors and their representatives; • Receiving proofs of debt and maintaining register; • Adjudicating claims, including requesting further information from claimants; • Preparing correspondence to claimants advising outcome of adjudication and advising of intention to declare dividend; • Advertising intention to declare dividend; • Calculating dividend rate and preparing dividend file; • Preparing correspondence to creditors announcing declaration of dividend; • Preparing and paying distribution; and • Dealing with any unrepresented cheques and reissuing where necessary. | • 7,319 | • Work is required by statute and for the proper administration of the case. |
| Statutory and compliance | <ul style="list-style-type: none"> • Preparing and issuing periodic progress reports to creditors and the Registrar; • Seeking court approval to pay a distribution to unsecured creditors; • Issuing notices and associated documentation for seeking decisions of creditors; • Dealing with records in storage • Sending job files to storage • Filing of documents; • Updating checklists and diary management system; • Ensuring efficient closure of the administration and correct way; • Signing off checklists, closing databases; and • Terminating internal records systems. | • 2,025 | • Work is required by statute and for the proper administration of the case |
| Tax & VAT | <ul style="list-style-type: none"> • Liaising with HMRC regarding awaited clearance; and • Preparing final VAT 426. | • 1,097 | • Required by statute/regulations |
| Strategy and planning | <ul style="list-style-type: none"> • Preparing fee budgets and monitoring costs; • Holding team meetings and discussions regarding status of administration; and • Completing internal reviews to ensure progression of the case. | • 256 | • Controls efficiencies, time costs and ensures continued case progression towards closure |

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the administration and has been approved by the general body of creditors where required. The following disbursements arose in the period of this report.

| | | |
|---|---|---------------|
| 2 | Photocopying – At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying. | Nil |
| 2 | Mileage – At a maximum of 70 pence per mile (up to 2,000cc) or 91 pence per mile (over 2,000cc) | Nil |
| 1 | Bonding and costs associated with replacement of the joint appointee | 609.73 |
| | Total | 609.73 |

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

Details of subcontracted work

We have not subcontracted any work in the period.

Legal and other professional firms

We've instructed the following professionals on this case:

Legal services, including:

- Pre-appointment advice including drafting and assisting with the sale contract and appointment of administrators;

Additional work including:

- Advice relating to intercompany debtors;
- Advice in relation to release of the security and deed of release review;
- Commencing application to court to allow unsecured distribution within administration; and
- Providing advice in relation to the release of funds from Close Brothers.

- Irwin Mitchell

- Industry knowledge and insolvency expertise

- Time costs and disbursements

Property agents, including:

- Identification, location and sale of the ROT assets

- Gordon Brothers

- Industry knowledge and insolvency expertise

- Percentage of realisations

We require all third party professionals to submit time costs analyses and narrative or schedule of realisations achieved, in support of invoices rendered.

The following costs incurred before our appointment but with a view to the Company going into administration, were approved for payment on 20 May 2020. These costs have been paid, as shown in Appendix A. Further details on the costs can be found in our Proposals.

| | |
|---|---------------|
| Fees charged by the administrators | 14,132 |
| Expenses incurred by the administrators | 12,289 |
| Total | 26,421 |

| | |
|--|---|
| Court details for the administration: | Business and Property Courts in Birmingham, Insolvency and Companies List (ChD) CR-2019 - BHM - 00762 |
| Company's registered name: | Bromford Iron and Steel Company Limited |
| Trading name: | Bromford Iron and Steel Company Limited |
| Registered number: | 00447036 |
| Registered address: | 8th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL |
| Date of the joint administrators' appointment: | 23 September 2019 |
| Joint administrators' names, addresses and contact details: | Ross Connock of PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol BS2 0FR and David Matthew Hammond both of PricewaterhouseCoopers LLP, One Chamberlain Square, Birmingham B3 3AX Contact details: helena.perevalova@pwc.com |
| Extension(s) to the initial period of appointment: | The administration was extended by 12 months until 22 September 2021 by deemed consent of the creditors |

Appendix F: Voting forms for decision procedure

Notice to creditors seeking decisions by correspondence

In accordance with
rules 15.8,15.11,
18.16,18.24
and 18.25 of the
Insolvency (England
and Wales) Rules 2016

| | |
|---|--|
| Name of Company Bromford Iron and Steel Company Limited | Company Number 00447036 |
| In the Business and Property Courts in Birmingham Insolvency and Companies List (ChD) | Court case number CR-2019-BHM-00762 |

(a) Insert full names of
administrators

We (a) Ross David Connock of PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol BS2 0FR and David Matthew Hammond of PricewaterhouseCoopers LLP, One Chamberlain Square, Birmingham B3 3AX, joint administrators of the company give notice to creditors that we are seeking a decision by correspondence on the following resolutions (b)

(b) Insert resolutions

- (1) THAT – the joint administrators be authorised to draw fees with reference to the time properly given by the administrators and the various grades of their staff according to their firm’s usual charge out rates of work of this nature and that the administrators be authorised to draw such fees from time to time, up to a maximum of £165,000.00 (including fees already drawn).
- (2) AND as to whether a creditors’ committee should be established if sufficient creditors are willing to be members.

Information on the formation, rights, duties and functions of a committee can be found in the attached guide for creditors.

We are also inviting creditors to make nominations for membership of the creditors’ committee, if one is established.

We therefore invite you to vote on the above. To submit your vote please indicate below whether you are voting for or against each resolution and whether or not you want a committee to be established and return this notice to us by post at the address below, to be received by us by 23.59 hrs on (c) 18 May 2021 (the decision date).

(c) Insert date

In order to be entitled to vote we must receive from you by 23.59 hrs on the decision date, a proof in respect of your claim in accordance with the Insolvency (England and Wales) Rules 2016 (IR16), failing which your vote will be disregarded. A proof of debt form which you can use is attached and is also available at <https://www.pwc.co.uk/bromford>


If your debt is treated as a small debt in accordance with rule 14.31(1) IR16 (creditors with claims of £1,000 or less), you must still deliver a proof to us by 23.59 hrs on the decision date if you wish to vote.

If you have opted out from receiving notices you may nevertheless vote if you provide a proof as set out above.

Creditors who meet one of the thresholds in section 246ZE of the Insolvency Act 1986 may, within five business days from the date of delivery of this notice, require a physical meeting to be held to consider the matter(s) set out above. The relevant thresholds are 10% in value of creditors, 10% in number of creditors, or 10 creditors.

If you wish to nominate any creditor(s) to be members of a creditors’ committee if creditors decide that a committee should be established, you must deliver your nomination to us by decision date. A nomination can only be accepted if we are satisfied as to the creditor’s eligibility under rule 17.4 IR16.

A creditor may appeal a decision in accordance with rule 15.35 IR16 by applying to court not later than 21 days after the decision date.

Signed 
Joint administrator

Dated 19 April 2021

Administrators' postal address: 8th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL

Administrators' contact telephone number: 0113 288 2046

| | |
|---|---|
| Name of Company Bromford Iron and Steel Company Limited | Company Number 00447036 |
| In the Business and Property Courts in Birmingham Insolvency and Companies List (ChD) | Court case number CR2019-BHM-00762 |

To be completed by creditor and returned to the postal address above if you wish to vote

Insert creditor's name
and address, and
registered number if a
company

I/We

Company number (if creditor is a company) _____

of _____

vote as follows:

| | |
|--|-------------------------------|
| | Delete as applicable * |
| | |
| Resolution (1) THAT – the joint administrators be authorised to draw fees with reference to the time properly given by the administrators and the various grades of their staff according to their firm's usual charge out rates of work of this nature and that the administrators be authorised to draw such fees from time to time, up to a maximum of £165,000.00 (including fees already drawn). | * for / against |
| Decision whether a creditors' committee should be established I/we want a creditors' committee to be established if sufficient creditors are willing to be members.* OR I/we do not want a creditors committee to be established.* *Delete as applicable | |
| Committee member: I/we nominate [creditor to insert name of creditor*] _____ to be a member of the committee if one is established. <small>*If you wish to nominate a creditor to be a member of a committee if one is established, please insert here the name of that creditor. A creditor can nominate themselves or another creditor. If the creditor is a company you must insert the company's name</small> | |
| Committee member's consent to act and representative: I/we consent to act as a member of the committee and authorise [insert representative's name here*] _____ to represent me/us on the committee with authority to act generally. <small>* A creditor which is a company or other body corporate must be represented by an individual. A creditor who is an individual can be represented by another individual but does not need to be. If you don't insert the name of a</small> | |

representative, the nominated creditor can still be represented on any committee, but may need to provide a letter of authority to the representative before they can act. A representative may be authorised to act either generally or specifically. If you wish to authorise your representative to act specifically, please amend the authority above and state in what respect they are authorised to act.

I/we enclose my/our proof of debt (if not previously submitted)

Signature of creditor or person authorised to act on behalf of the creditor:

Name in block capitals:

Position with or relation to the creditor (e.g. director, company secretary, solicitor):

Date: _____