

TO ALL KNOWN CREDITORS

11 March 2022

Ref: APW/ST/AE/SLBE/PCF
Direct line: 0207 951 5217
aeliades@parthenon.ey.com

Dear Creditors

**SLBE Limited (formerly TSP Engineering Limited) (in Administration)
(‘the Company’)**

High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD) (Number: CR-2020-001669)

On 9 March 2020 the Company entered Administration and A P Williams and R H Kelly were appointed to act as Joint Administrators (‘**the Joint Administrators**’). The appointment was made by the qualifying floating charge holder under the provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

I write to provide you with our final progress report in the administration, which includes details of the outcome. The report covers the period from 9 September 2021 to 8 March 2022 (‘**the Period**’) and should be read in conjunction with the Joint Administrators’ Statement of Proposals dated 17 March 2020 (‘**the Proposals**’) and our previous progress reports dated 8 October 2020, 1 April 2021 and 8 October 2021.

This document has been made available for viewing and downloading at the following web address: www.ey.com/en_uk/slbe. You may at any time request a hard copy of any or all of the documents currently available for viewing on the website and/or future documents which may be made available. If you wish to receive a hard copy of the document(s), please either telephone, email or write to me, using the contact details at the top of this report and a hard copy will be sent to you.

Statutory information about the Company, the Administration and the office holders is given at Appendix 1.

Summary of the administrators’ proposals

The Proposals were issued to the Company’s creditors on 17 March 2020.

As detailed in the Proposals, the Company had insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part and consequently, in accordance with the provisions of paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986, we did not seek a decision of the creditors on the approval of the Proposals.

As no request for a decision procedure was received from creditors, the Proposals were deemed to have been approved on 30 March 2020.

Summary of steps taken since the last report

VAT and Taxation

During the Period the final post appointment VAT return was submitted, and the Company deregistered for VAT. Clearance to close the Administration was requested from HM Revenue and Customs ('HMRC') on 27 November 2020 and no objection was received in the 28-day notice period.

As outlined previously, on 4 August 2021 we received interest from HMRC totalling £2,825.20 due to the length of time it took for HMRC to pay previous VAT refunds to the Company. The Joint Administrators concluded it was not in the best interest of creditors to keep these funds due to the time costs that would be incurred in preparing and submitting a corporation tax return for the interest. As such these funds were returned to HMRC on 4 February 2022.

Prescribed Part Distribution

During the Period, a notice to creditors of an intention to declare a dividend was issued on 15 December 2021, with the final date for proving set as 12 January 2022. The value of the Prescribed Part was calculated as £109,231.65 (subject to additional interest and costs, see below). Two claims were received for a total of c.£4.0m, both of which were accepted in full.

As shown in the Receipts and Payment in Appendix 2 bank interest earned on funds held for the Prescribed Part totalled £975.01 and costs associated with the Prescribed Part totalled £321.96. Overall, £109,884.70 was available to be distributed to unsecured creditors, which equated to 2.74p in the pound (rounded to two decimal places). The first and final dividend was declared on 22 February 2022 and paid on 25 February 2022.

Distributions to creditors

Secured Creditors

As reported previously on 9 March 2020, the Joint Administrators made a distribution to the fixed charge secured creditor in the sum of £2,136,341.73 with respect to fixed charge realisations. On the same date, the Joint Administrators also made a distribution to the floating charge secured creditor in the sum of £226,278.51 with respect to floating charge realisations.

On 30 March 2020, the Joint Administrators made a further distribution to the floating charge secured creditor in the sum of £195,648.11 with respect to floating charge realisations.

Preferential Creditors

As part of the transaction, the Purchaser undertook to discharge all third-party trading liabilities (other than intercompany balances due to the Company's parent and its affiliates and secured amounts owing to financial creditors) with all employees transferring to the purchaser with no change to existing terms and conditions. As such there are no preferential creditors in the Administration.

Unsecured Creditors

As outlined above, on 22 February 2022 a distribution was made to unsecured creditors of the Company by virtue of the Prescribed Part. The amount distributed was £109,884.70 which equated to 2.74p in pound.



Notice of no further dividend

In accordance with Rule 14.37(2) of the Insolvency (England and Wales) Rules 2016, I give notice that we are unable to declare any further dividend to non-preferential creditors because the funds realised have already been distributed or used or allocated for paying the expenses of the administration.

Receipts and payments account

I enclose a receipts and payments account for the period from 9 September 2021 to 8 March 2022.

The sum of £109,884.70 has been paid to unsecured creditors by virtue of the application of section 176A of the Insolvency Act 1986 (the 'Prescribed Part').

Joint Administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees' a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

Our remuneration was fixed on a time-cost basis plus VAT by resolutions of the secured creditors on 5 June 2020.

During the Period, we have incurred time costs of £77,372.00 however the Joint Administrators have not sought to invoice or receive payment for any of this amount. Post appointment remuneration paid to the Joint Administrators totals £175,000.00 plus VAT in line with the fee estimate included in the Proposals.

The Joint Administrators' total time costs incurred have exceeded the fee estimate however the Joint Administrators do not intend to draw any more amounts from the Administration in respect of remuneration.

An analysis of the time spent, and a comparison with the fee estimate dated 17 March 2020 is attached as Appendix 4 to this report as well as details of where time costs have exceeded the forecast.

Joint Administrators' statement of expenses incurred

During the period covered by this report, the Administrators have incurred expenses totalling £119.88 including VAT relating to statutory advertising for the Prescribed Part distribution. There is a breakdown of expenses incurred in the period and to date at Appendix 3 to this report.

Pre-administration costs

As set out previously we incurred pre-Administration costs of £294,507.00 plus VAT. The payment of unpaid pre-Administration costs as an expense of an Administration is subject to Rule 3.52, meaning payment must be approved separately from the proposals.



We sought permission from the secured creditors to pay pre-Administration costs as an expense of the Administration and received approval on 5 June 2020. The Joint Administrators have received payment of £107,519.50 plus VAT for costs relating to the pre-Administration period. During the period, £19.50 of this amount was credited and refunded to the Administration estate. The Joint Administrators have therefore received £107,500.00 plus VAT relating to the pre-Administration period.

The outcome of the administration

In accordance with the terms of the proposals, as there are no further assets to be realised or distributions to be made, the Company will move from administration to dissolution. The administration came to an automatic end on 8 March 2022. The Company will be deemed to be dissolved three months following the submission of this report to Companies House.

Should you have any remaining questions about the administration, please do not hesitate to contact Alex Eliades at this office.

Yours faithfully
For the Company

A handwritten signature in black ink, appearing to read 'A P Williams'.

A P Williams
Joint Administrator

Appendix 1 – Information about the proceedings, the Company and the officeholders

Appendix 2 – Joint Administrators' Receipts & Payments from 9 September 2021 to 8 March 2022

Appendix 3 – Summary of Joint Administrators' Expenses incurred

Appendix 4 – Summary of Joint Administrators' Time Costs incurred

Enc: Notice of Automatic End of Administration

A P Williams is licensed in the United Kingdom to act as an insolvency practitioner by The Insolvency Practitioners Association and R H Kelly is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in Scotland.

The affairs, business and property of the Company are being managed by the Joint Administrators, A P Williams and R H Kelly, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.



Building a better working world

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court: The High Court of Justice Business and Property Courts of England and Wales – Insolvency and Companies List (ChD)

Court reference: CR-2020-001669

Registered name of the company: SLBE Limited (in Administration)

Registered office address of the company: c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF

Registered number:

Country of incorporation (for a company incorporated outside the United Kingdom): 10664034

N/A

Date of appointment of the joint administrators: 9 March 2020

Details of any changes of administrator: None

Full names of the administrators: Alexander Paul Williams and Robert Hunter Kelly

Office holder number(s): 22270 and 8582

Administrators' address(es): A P Williams, c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF

R H Kelly, c/o Ernst & Young LLP, 1 Bridgewater Place Leeds, LS11 5QR

Telephone number: 0207 951 5217

Name of alternative person to contact with enquiries about the case: Alex Eliades

SLBE Limited (in Administration)
Joint Administrators' Receipts and Payments from 9 September 2021 to
8 March 2022

Statement of Affairs estimated to realise	Period from 9 March 2020 to 8 September 2021		Period from 9 September 2021 to 8 March 2022		Cumulative Total
	(£)	(£)	(£)	(£)	
Fixed charge receipts					
1,750,001.00	Land and Buildings	1,750,001.00	-	-	1,750,001.00
386,338.73	Plant and Machinery	386,338.73	-	-	386,338.73
2.00	Intellectual Property and Goodwill	2.00	-	-	2.00
		2,136,341.73			2,136,341.73
Distributions to creditors					
	Secured Creditors	(2,136,341.73)	-	-	(2,136,341.73)
		(2,136,341.73)			(2,136,341.73)
Floating charge receipts					
637,379.76	Cash at Date of Appointment	637,379.76	-	-	637,379.76
35,000.00	Plant, Machinery and Equipment	35,000.00	-	-	35,000.00
40,000.00	Stock	40,000.00	-	-	40,000.00
151,275.51	Debtors and Prepayments	151,275.51	-	-	151,275.51
3.00	3 Other Realisations	3.00	-	-	3.00
		863,658.27			863,658.27
Floating charge payments					
	Legal Fees	(50,000.00)	-	-	(50,000.00)
	Administrators Fees	(282,519.50)	19.50	19.50	(282,500.00)
		(332,519.50)	19.50	19.50	(332,500.00)
Distributions to creditors					
	Secured Creditor	(421,926.62)	-	-	(421,926.62)
		(421,926.62)			(421,926.62)
	Bank Interest	975.01	-	-	975.01
	HMRC Interest	2,825.20	(2,825.20)	-	-
	Corporation Tax	(182.78)	-	-	(182.78)
	Administrators Expenses	-	(119.88)	-	(119.88)
	Bank Charges	(19.30)	-	-	(19.30)
	Prescribed Part Distribution	-	(109,884.70)	(109,884.70)	(109,884.70)
		3,598.13	(112,829.78)	(109,231.65)	
Balances in hand					
		112,810.28	(112,810.28)	-	
Represented by:					
	Cash at Bank	112,814.71	(112,814.71)	-	-
	VAT Control Account	-	-	-	-
	Funds Due to TSPE	(4.43)	4.43	-	-
		112,810.28	(112,810.28)	-	

Notes

- 1 This receipts and payments account is shown net of VAT.
- 2 This receipts and payments account has been prepared on a cash basis and does not reflect future receipts and payments
- 3 Made up of consideration received from the purchaser for Business Contracts, IT and Business Claims
- 4 The amount paid to unsecured creditor by virtue of the application of section 176A, Insolvency Act 1986 (the Prescribed Part) was £109,884.70.

SLBE Limited (in Administration)
Summary of Joint Administrators' expenses incurred

Type of Expense	Per		Estimated outstanding	Total
	Estimate Dated 17 March 2020	Paid in period to 8 September 2021		
Payments made from the estate which are not disbursements				
1,2	£	£	£	£
Legal Fees	100,000.00	50,000.00	Nil	50,000.00
Corporation Tax	Nil	182.78	Nil	182.78
Bank Charges	100.00	19.30	Nil	19.30
Total	100,100.00	50,202.08	Nil	50,202.08
 Category 1 disbursements				
2				
Bonding ³	320.00	Nil	Nil	Nil
Postage and Printing ³	300.00	Nil	Nil	Nil
Statutory Costs ³	500.00	Nil	119.88	119.88
Total	1,120.00	Nil	119.88	119.88
 Expenses exceeding initial estimate				

- Corporation Tax – paid in relation to bank interest income received from the floating charge account. This income was not originally anticipated and as such Corporation Tax expenses were not estimated in the Proposals.

Notes

- 1 Statement of Insolvency Practice 9 (SIP 9) defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors.
- 2 SIP 9 defines disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
 - Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment
 - Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs. There have been no category 2 disbursements in the Period.
- 3 The Joint Administrators have also incurred £690.32 of expenses in relation to bonding (£320), travel to the Company's former premises (£197.38), statutory advertising (£94.50) and postage and printing (£78.44). These costs have not been charged to the Administration.

SLBE Limited (in Administration)

Joint Administrators' time costs for the period from 9 March 2020 to 8 March 2022 and a comparison with the fee estimate dated 17 March 2020

	Per Fee Estimate			Actual in this report period			Total actual to date		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Administration & Planning	79.5	25,000.00	314	13.1	6,973.50	532	130.6	52,236.00	400
Creditors	20.0	8,355.00	418	11.0	8,917.50	811	27.6	23,132.00	838
Employees	16.0	7,025.00	439	13.4	7,124.00	532	28.0	15,552.00	555
Environmental Issues	-	-	-	-	-	-	0.5	237.50	475
Immediate Tasks	6.0	2,905.00	484	-	-	-	4.0	4,580.00	1,145
Investigation & CDDA	79.0	32,720.00	414	-	-	-	59.3	22,432.50	378
Other Matters	6.0	2,905.00	484	-	-	-	8.3	3,927.50	473
Property	10.0	5,680.00	568	-	-	-	4.0	3,095.00	774
Reporting	67.5	29,795.00	441	26.0	12,540.00	482	87.1	38,989.50	448
Statutory Duties	77.0	33,195.00	431	64.0	32,697.00	511	214.9	107,939.50	502
VAT & Taxation	53.0	27,420.00	517	19.5	9,120.00	468	88.4	39,727.00	449
Total	414.0	175,000.00	423	147.0	77,372.00	526	652.7	311,848.50	478

As noted, time costs incurred to date have exceeded our initial fee estimate by £136,848.50. The principal reasons for exceeding the fee estimate are as follows:

Category	Explanation of increase in time costs incurred
Administration and Planning	An additional £27,236.00 of time costs have been incurred in comparison to the fee estimate. This is due to an increased amount of time spent on management of the case, including treasury and accounting functions, in part due to the extensions of the Administration requiring more administrative tasks to be completed.
Creditors	An additional £14,777.00 of time costs have been incurred in comparison to the fee estimate. Additional time costs have been incurred in dealing with a greater number of creditor queries than anticipated.
Employees	An additional £8,527.00 of time costs have been incurred in comparison to the fee estimate. This is as a result of a former employee claim against the Company that was not anticipated.
Environmental Issues	An additional £237.50 of time costs have been incurred in comparison to the fee estimate. This is due to the time taken to transfer environmental permits exceeding what was originally anticipated.
Immediate Tasks	An additional £1,675.00 of time costs have been incurred in comparison to the fee estimate. This work required more input from senior resource at a higher charge out rate than expected which caused the cost increase.
Other Matters	An additional £1,022.50 of time costs have been incurred in comparison to the fee estimate. This is due to work dealing with books and records management taking longer than initially anticipated.
Reporting	An additional £9,194.50 of time costs have been incurred compared to the fee estimate. This is because the administration was extended a year longer than expected which required two additional progress reports to be prepared.
Statutory Duties	An additional £74,744.50 of time costs have been incurred in comparison to the fee estimate. This is due to an increased amount of time spent dealing with statutory duties immediately following appointment and dealing with the extension of the Administration. The fee estimate was prepared on the basis of the Administration concluding without an extension being required.
VAT & Taxation	An additional £12,307.00 of time costs have been incurred in comparison to the fee estimate. As the administration has taken longer than expected additional VAT returns have been required and as such the fee estimate has been exceeded.

Category of work	Description of work completed
Administration & Planning	<ul style="list-style-type: none"> ▶ Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost reporting. ▶ This is a statutory requirement.
Creditors	<ul style="list-style-type: none"> ▶ Receipt and recording of creditor claims. ▶ Correspondence with creditors. ▶ Processing distributions to the secured creditors. ▶ Adjudication of creditor claims. ▶ Preparation for and distribution of the prescribed part to unsecured creditors. ▶ This is a statutory requirement.
Employees	<ul style="list-style-type: none"> ▶ Writing to employees regarding TUPE related matters. ▶ Dealing with any ad hoc employee enquiries. ▶ Dealing with unfair dismissal claim from a former employee. ▶ Work undertaken in this category will primarily comprise statutory and regulatory requirements.
Environmental Issues	<ul style="list-style-type: none"> ▶ Liaising with Environmental Resources Management to transfer permits. ▶ This is a regulatory requirement.
Immediate Tasks	<ul style="list-style-type: none"> ▶ Completion of work streams requiring immediate attention following the appointment, in order to execute the strategy outlined in the Proposals. ▶ These tasks may comprise a mixture of statutory requirements and tasks undertaken to realise value in the Entities assets.
Investigations & CDDA	<ul style="list-style-type: none"> ▶ Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders". ▶ The Joint Administrators' report on the conduct of the directors under the Company Directors Disqualification Act 1986. ▶ This is a statutory and regulatory requirement.
Other Matters	<ul style="list-style-type: none"> ▶ Dealing with any assets owned by third parties. ▶ Recovery of the Company's physical books and records, and electronic records (including a back-up of company servers and systems). ▶ Work undertaken in this category will primarily comprise statutory and regulatory requirements.
Property	<ul style="list-style-type: none"> ▶ Pursuing the strategy to realise value from the Company's leasehold interests. ▶ Dealing with landlord enquiries regarding the property interests. ▶ Transferring the freehold and leasehold property to the Purchaser.
Reporting	<ul style="list-style-type: none"> ▶ Regular reporting to the Company's secured creditors. ▶ Preparing the Joint Administrators' Statement of Proposals. ▶ Preparing the progress reports. ▶ Preparing the final progress report. ▶ This is a statutory requirement.
Statutory Duties	<ul style="list-style-type: none"> ▶ Completion of statutory requirements of the Administration, including notifications to creditors and members, advertising the appointment and sending to creditors and filing at Companies House.

VAT & Taxation

- ▶ Seeking approval from the secured creditors to extend the Administration and notifying the Court, Companies House and creditors that the Administration has been extended.
- ▶ Seeking discharge from liability from the secured creditors.
- ▶ Preparing for the conclusion of the administration.
- ▶ These are statutory requirements.
- ▶ Preparing annual corporation tax and quarterly VAT returns, with input from EY VAT and tax specialists.
- ▶ Assessment of the VAT and tax treatment of transactions and agreements entered into during the Administration.
- ▶ Liaising with HMRC to obtain VAT refunds and to deregister for VAT.
- ▶ This is a statutory requirement.

Notice of automatic end of administration

Name of company

SLBE Limited (in Administration)

Company number

10664034

In the HIGH COURT OF JUSTICE

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST (ChD) [full name of court]

Court case number

CR-2020-001669

(a) Insert name(s) and address(es) of administrator(s)

I / We (a) Alexander Paul Williams and Robert Hunter Kelly

Ernst & Young LLP, 1 More London Place, London, SE1 2AF and Ernst & Young LLP, 1 Bridgewater Place, Leeds, LS11 5QR

(b) Insert name and address of the registered office of company

having been appointed administrator(s) of (b) _____

SLBE Limited

1 More London Place, London, SE1 2AF

(c) Insert date of appointment

on (c) 9 March 2020 by (d) White Oak Pantheon (U.K.) Limited

(d) Insert name of appointor / applicant

hereby give notice that our appointment ceased to have effect on 8 March 2022

We attach a copy of the final progress report.

* Delete as applicable

Signed



Joint Administrator(s)

Dated 11 March 2022