

TO ALL KNOWN CREDITORS AND SUPPLIERS

29 January 2020

Ref: LW/DCH/MW/OC/D05.13  
Direct line: +44 16 1234 0510  
Oliver Charlesworth  
KSRElectronic@uk.ey.com

Dear Sirs

## **KSR Electronic Systems Limited (in Administration) ("the Company")**

On 27 January 2020, the Company entered administration and Lucy Winterborne and Daniel Christopher Hurd were appointed as Joint Administrators. The appointment was made by the Company's directors under the provisions of paragraph 22(2) of Schedule B1 to the Insolvency Act 1986. I enclose formal notice of our appointment.

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

The Company is continuing to trade under our supervision whilst we conduct an investigation of its financial affairs. At present, I am unable to indicate whether there will eventually be a surplus available for creditors. However, in accordance with paragraph 49(5) of Schedule B1 to the Insolvency Act 1986, we shall be preparing proposals within eight weeks of our appointment. The proposals will be made available to all creditors and will give an indication of the likely dividend prospects.

At that time, we will also set out our proposals for remuneration and may seek approval for the basis. The statutory provisions relating to remuneration are set out in Chapter 4, Part 18 of the Insolvency (England and Wales) Rules 2016 ('the Rules'). 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 the Joint Administrators.

### ***Publication of future documents in the Administration***

Please note, all future documents in the Administration, other than those described below, will be made available for viewing and downloading at the following web address without any further notification:

**[www.ey.com/uk/KSRElectronic-Administration](http://www.ey.com/uk/KSRElectronic-Administration)**

I will not be obliged to deliver (i.e. send) any such documents to you, unless specifically requested by you.

You may at any time request a hard copy of any or all of the following:

- documents currently available for viewing on the web site; and/or

- future documents which may be made available there.

If you do 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 letter and a copy will be sent to you.

The following documents will still be delivered by post:

- any document for which personal delivery is required;
- any notice of intention to declare a dividend; and
- any document which is not delivered generally (e.g. not sent to all known creditors or members).

### ***Ongoing supply of goods and services***

Please note that with effect from the date of our appointment the Company will not be responsible for payment for any goods or services delivered to the Company except against orders which meet all of the criteria below. For an Administration purchase order to be valid:

- it must be dated 27 January 2020 or later;
- it must bear our signature or that of one of our representatives, whose specimen signatures appear at Appendix A to this letter; and
- you must be in possession of a scanned or physical purchase order document.

Goods and services so ordered will be paid for on normal credit terms.

If any orders placed with you by the Company prior to our appointment have not been completed, they should not be completed unless you receive written confirmation from either of us, or one of our authorised representatives, that the goods or services are still required.

### ***Section 11(3) of the Insolvency Act 1986***

I draw your attention to section 11(3) of the Insolvency Act 1986:

*"During the period for which an administration order is in force -*

- a) no resolution may be passed or order made for the winding up of the company;*
- b) no administrative receiver of the company may be appointed;*
- c) no other steps may be taken to enforce any security over the company's property, or to repossess goods in the company's possession under any hire purchase agreement, except with the consent of the administrator or the leave of the court and subject (where the court gives leave) to such terms as the court may impose;*
- d) no other proceedings and no execution or other legal process may be commenced or continued, and no distress may be levied, against the company or its property except with the consent of the*

*administrator or the leave of the court and subject (where the court gives leave) to such terms as aforesaid".*

Hire purchase agreements include conditional sale, chattel leasing and retention of title agreements (section 10(4) of the Insolvency Act 1986).

### ***Debts incurred by the Company***

Please note that debts incurred by the Company prior our appointment will rank as unsecured claims against the Company. Furthermore, any termination charges you may seek to apply will also rank as unsecured claims against the Company and will not be met as an expense of the Administration. At present the Administrators are not in a position to confirm the likely outcome for unsecured creditors in this matter, however, we will publish a further update to the Company' creditors at [www.ey.com/uk/KSRElectronic-Administration](http://www.ey.com/uk/KSRElectronic-Administration) in due course.

In order to complete our records, I should be grateful if you would submit a statement of any amounts due to you for goods or services provided prior to 27 January 2020 by email to [KSRElectronic@uk.ey.com](mailto:KSRElectronic@uk.ey.com).

Where applicable, you should also send details of any contract outstanding between you and the Company. As Administrator, I am not in a position to enable the Company to make payments due by the Company in respect of any contractual obligations entered into prior to the Administration.

If you hold any security for your claim or you consider that you have title to any assets in the Company's possession, please forward details to me as soon as possible.

Certain debts due from the Company may be preferential in accordance with sections 386 and 387 of, and Schedule 6 to, the Insolvency Act 1986. If you consider that you have a claim in this category, please advise me immediately.

You may be entitled to VAT bad debt relief on debts arising from supplies more than six months old. This procedure does not involve the Administrators and claims should be made directly to HM Revenue and Customs.

### ***Matters concerning the Company's affairs***

If there are any matters concerning the Company's affairs which you consider may require investigation and consequently should be brought to our attention, please forward the details to me in writing as soon as possible.

### ***Opting out***

Under the provisions of Rule 1.39, creditors have the right to elect to opt out of receiving further documents relating to the Administration.

If you do elect to opt out, you will still receive the following documents:

- Any which the Insolvency Act requires to be delivered without expressly excluding opted-out creditors;
- Notice relating to a change in the Administrators, or their contact details;

- Notice of dividend or proposed dividend; or
- A notice which the court orders to be sent to all creditors, or all creditors the particular category to which you belong.

Any election to opt-out will not affect your entitlement to receive dividends, if any are paid.

Unless the Rules provide to the contrary, opting-out will not affect your rights to vote in a decision procedure or participate in a deemed consent procedure, although you would not receive notice of such procedures.

Any opted-out creditors will be treated as opted out in respect of any consecutive insolvency procedure which might follow the administration.

You may opt-out by delivering an authenticated (eg signed) and dated notice to me stating that you are electing to be an opted-out creditor in relation to this administration. You may at any time revoke this election by delivering to me an authenticated and dated notice stating that you no longer wish to be an opted-out creditor.

### **Other matters**

If there are any matters concerning the Company's affairs which you consider may require investigation and consequently should be brought to our attention, please forward the details to me in writing as soon as possible.

If you require any further information or explanation, please do not hesitate to contact Oliver Charlesworth of this office on +44 16 1234 0510.

Yours faithfully  
for KSR Electronic Systems Limited (in Administration)



Lucy Winterborne  
Joint Administrator

L Winterborne is licensed in the United Kingdom to act as an insolvency practitioner by The Insolvency Practitioners Association and D C Hurd is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales.

The affairs, business and property of the Company are being managed by the Joint Administrators, L Winterborne and D C Hurd, 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 General Data Protection Regulation 2016/679, 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](http://www.ey.com/uk/officeholderprivacy).

Enc: Notice of Administrators' Appointment

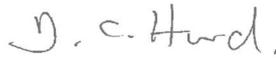
The authorised signatories for orders are:

Lucy Winterborne who will sign



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Daniel Christopher Hurd who will sign



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Matthew Wortley who will sign  
(Authority up to £20,000)



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Alastair Casey who will sign  
(Authority up to £20,000)



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Chrissy Davison who will sign  
(Authority up to £5,000)



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# Notice of administrator's appointment

Paragraph 46 of Schedule B1 to the Insolvency Act 1986 and Rule 3.27 of the Insolvency (England and Wales) Rules 2016

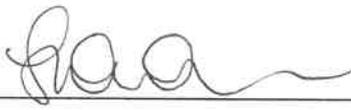
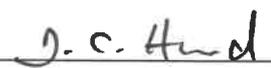
Name of Company KSR Electronic Systems Limited	Company number 03648720
In the HIGH COURT OF JUSTICE Business and Property Courts in Manchester, Insolvency and Companies list (ChD)	Court case number CR-2020-MAN-000054

(a) Insert full name(s) and address(es) We (a) Lucy Winterborne of Ernst & Young LLP, The Paragon, Counterslip, Avon, Bristol BS1 6BX, United Kingdom and Daniel Christopher Hurd of Ernst & Young LLP, One Colmore Square, Birmingham, B4 6HQ, United Kingdom

give notice that I ~~was~~ we were appointed as administrator(s) of the above company on:

(b) Insert date

(b) 27 January 2020

Signed	<u></u>	Signed	<u></u>
Dated	<u>27/1/2020</u>	Dated	<u>27/1/2020</u>
Joint / Administrator(s) IP No(s)	<u>Lucy Winterborne 21130</u>		<u>Daniel Christopher Hurd 20030</u>