were split between the MBO directors who were appointed as: Finance Director; Commercial Director; Contracts Director; HR Director and Technical Director. By August 2016 it was agreed that the HR and Technical directors would step down to their former non-director roles, with the three remaining MBO directors responsible for running the business on a day to day basis.

Turnover reduced by 19% in the year ended June 2017 and whilst the Company's audited accounts indicate it continued to be profitable, funds tied up in work in progress increased. Due to ill health, Mr Norman was unable to return and take a hands-on role until approximately September 2017. A further board restructure then took place, resulting in the Finance Director leaving the Company and the Commercial Director stepping down to his former role before the end of 2017.

Cash flow issues started to be felt at the beginning of 2018, but this was considered quite normal for this period due to seasonality experienced by the business. Client delays on a key contract had hampered billing, but this was also considered to be a timing issue only. An external consultant was brought in during February 2018 to quickly oversee the tasks needed and produce the management information required by the Board. The final MBO director left the Company in July 2018, with the board supplemented by the arrival of a Technical Director in May 2018 and an Operations Director in October 2018 with a view to stabilising the business and returning it to profitability.

The accounting records were brought up to date and initial draft accounts for the year ended 30 June 2018 indicated a pre-tax loss of £73,000, although this was subsequently re-stated as a loss of £573,000 as it became evident that further provisions of £500,000 were required on loss making contracts. Mr Norman introduced loan funding of £315,000 between July 2018 to November 2018 to assist with cash flow, which appeared to be suffering due a build up in working capital (particularly accrued income and work in progress). This was supplemented by a loan of £250,000 from DBW, which was guaranteed by Mr Norman.

Management accounts for the six months ended 31 December 2018 indicated a pre-tax loss of £176,000. The remaining directors prepared several versions of trading and cash forecasts during 2019 in an attempt to raise additional funding. A Time to Pay arrangement was agreed with HMRC to assist cash flow and Mr Norman provided further loans of £260,000 during January and February 2019. £575,018 remains due to Mr Norman at the date of the administrators' appointment.

However, a severe downturn in trading performance from January 2019 to April 2019 resulted in a pre-tax loss of £868,000 for the 10 months ended 30 April 2019, reducing the Company's balance sheet to net liabilities of £135,000. The forecasts indicated that the Company could potentially trade profitably and turn its fortunes around, but it established the business would require approximately £600,000 of additional funding in the short term to assist with working capital. The Company had a £300,000 overdraft facility with NatWest, which following debtor receipts was only partially being used, but the existing funders were not prepared to meet the shortfall. The directors were concerned about the financial position of the Company and decided to seek professional advice.

On 3 June 2019, the directors and their professional advisors met with Huw Powell and Katrina Orum of Begbies Traynor to establish the options available. This identified that the Company would have required customer consent to novation of contracts, with only existing framework suppliers likely to be accepted by customers. In addition, the directors considered the Company had no realistic prospect of obtaining the additional funding required to support its working capital needs. A review of individual contracts was undertaken and loss making contracts were identified, with steps taken to immediately terminate the contracts. Ultimately only four remaining contracts were considered potentially commercial viable following input from independent agents, Craigdam Limited ("Craigdam").

A Board Meeting was held on 14 June 2019 and Notice of Intention to Appoint an Administrator was filed that afternoon. Thereafter, meetings took place with key customers, suppliers and subcontractors to determine whether any contracts could be brought to practical completion following the administrator's appointment. On 19 June 2019, 48 redundancies were made with the remaining staff identified as being necessary for ongoing trade on the remaining four contracts.

Notice of Appointment of Administrators was filed in court on 27 June 2019.