

NatWest lost £9m as UK's largest roofing contractor Avonside collapsed into administration

NatWest lost more than £9m after the UK's largest roofing contractor collapsed into administration, it has been revealed.

Reports [started circulating](#) towards the start of September about the imminent failure of Heywood-based Avonside Group before restructuring firm Begbies Traynor was [appointed as administrator](#) on Wednesday, September 7.

In a statement issued at the time, the firm said Avonside “experienced a period of disrupted trading during the pandemic” and had operated 39 branches across its three divisions.

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It added that the group “has been unable to secure the necessary funding from existing stakeholders, or third parties, to effect the required turnaround and enable continuation of trade in the current form”.

Jobs were lost after the group entered administration but 79 were saved after nine Avonside Roofing branches were sold while more than 100 were also secured when a former investor in the likes of restaurant chain Little Chef [acquired Avonside Energy](#).

Now, for the first time BusinessLive can report how much Avonside owed to its creditors as it entered administration.

According to newly-filed documents, Avonside Group Services owed £9.9m to NatWest through an overdraft and loans.

Begbies Traynor said the bank has received £807,000 following the sale of Avonside Energy. It added that no further distributions to the bank are anticipated.

The firm added that Avonside owed £3.4m to its unsecured creditors and that there will be insufficient funds available to repay them.

In a statement issued when it was appointed, Begbies Traynor said: "The group experienced a period of disrupted trading during the pandemic which, alongside margin squeeze, the impact of underperforming divisions and financial reporting issues, resulted in a requirement for extended working capital facilities.

"Despite extensive efforts from the management team, shareholders and advisors, the group has been unable to secure the necessary funding from existing stakeholders, or third parties, to effect the required turnaround and enable continuation of trade in the current form."

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